

Worksheet 1: Match the definition to the key term

The definitions and commercial terms are mixed up. Match the correct definition with the commercial term and write your answer in the third column.

Commercial term	Mixed up definition	Correct definition
Revenue	Money invested in a business by its owner(s)	
Cost of goods sold	The assets that a business owns for less than a year	
Profit	The debts that a trader or a business owes to someone	
Working capital	The amount of goods or services sold	
Fixed asset	Money available for the day-to-day running of the business	
Current asset	The amount charged for borrowing money	
Liability	A deduction from the invoice price of goods bought on credit	
Interest	Income generated by a business after deducting total expenses from sales	
Capital	The elements in a business that are either cash or can easily be turned into cash within one year, e.g. stock or debtors.	
Cash discount	The amount of money received during a trading period	
Trade discount	A long-term tangible item that is not expected to be sold within a year	
Income	The purchase price of the stock bought for resale	
Mark-up	A long-term tangible item, e.g. land or machines owned and used by the business that is not expected to be sold within a year.	