

THE BALANCE SHEET

Learning outcome

Learners will prove that they are able to use the institution's balance sheet to gain a clear indication of the financial position of the institution.

Range statement

First-, middle-, and top-level managers will show evidence of their understanding of the "terms" and "figures" on the statement.

Assessment criteria

- (1) Giving examples of an institution's current assets, such as cash, accounts receivable and inventories.
- (2) Explaining the relationship between/advantages and disadvantages of time and accounts to be paid to the institution.
- (3) Explaining the meaning of the terms "bad debts" and "charitable services".
- (4) Giving the meaning of the term "inventory" on the balance sheet.
- (5) Giving the meaning of the term "fixed assets" on the balance sheet.
- (6) Explaining the meaning of the term "depreciation" .
- (7) Describing how depreciation is depicted on the balance sheet.
- (8) Describing the meaning of the term "nett worth".
- (9) Describing the meaning of the term "liabilities".
- (10) Explaining the meaning of "accounts payable".
- (11) Giving the meaning of the term "notes payable".
- (12) Explaining the meaning of the term "accrued liabilities".
- (13) Describing what is meant by "long-term liabilities".

Specific outcome

Learners will demonstrate the ability to draw up a balance sheet when figures for the different terms are supplied.

Critical outcomes

Learners will be able to:

- explain the value of an institution's balance sheet
- give the correct interpretation of the various terms appearing on the balance sheet