

Business

Profit and loss account

It is not necessary to carry out all the activities contained in this unit.

Please see *Teachers' Notes* for explanations, additional activities, and tips and suggestions.

Theme	Profit and loss account
Levels	A1 – B1
Language focus	Key vocabulary, word identification, sentence structure, extracting information from text, writing text, grammar.
Learning focus	Using Business textbooks and accessing curriculum content and learning activities.
Activity types	Matching, word identification, structuring sentences and text, cloze, multiple choice, reading comprehension, categorising vocabulary, recording learning, developing a learning resource.
Acknowledgement	Extracts from <i>Business Studies Revision Notes for Junior Certificate (4th edition)</i>. J.F. O' Sullivan. Gill & Macmillan. We gratefully acknowledge Gill & Macmillan for the right to reproduce text in some of these activities.
Learning Record	A copy of the Learning Record should be distributed to each student. Students should: <ol style="list-style-type: none"> 1. Write the subject and topic on the record. 2. Tick off/date the different statements as they complete activities. 3. Keep the record in their files along with the work produced for this unit. 4. Use this material to support mainstream subject learning.

Making the best use of these units

- **At the beginning of the class**, make sure that students understand **what** they are doing and **why**. 'We are doing the exercise on page (12) to help you to remember key words / to help your writing skills / to help with grammar' etc.
- You can create your **personal teaching resource** by printing these units in full and filing them by subject in a large ring binder.
- **Encourage students to:**
 - Bring the relevant **subject textbooks** to language support class. It does not matter if they have different textbooks as the activities in these units refer to vocabulary and other items that will be found in all subject textbooks. These units are based on curriculum materials.
 - Take some **responsibility for their own learning** programmes by:



Developing a **personal dictionary** for different subjects, topics, and other categories of language, on an on-going basis. This prompt is a reminder.

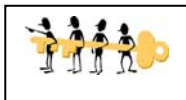


Recording what they have learnt on the **Learning Record**, which should be distributed at the start of each unit.



Keeping their own **files** with good examples of the work produced in language support for different subjects and topics. This file will be an invaluable **learning resource** in supporting mainstream learning.

- Don't forget that many of the activities in these units are suitable as **homework** tasks, for **self-study**, or for use in the **subject classroom** with the agreement of the subject teacher.



Indicates that answers may be found at the end of the unit.

NAME: _____ DATE: _____
BUSINESS: Profit and loss account

Keywords

The list of keywords for this unit is as follows:

Nouns

account (a/c)
advertising
assets
bad debt
balance sheet
bank
bank loan
business
capital expenditure
credit side
discount
expense
expenditure
figures
gains
gross profit
heat
income
insurance
interest
ledger
light
loan

loss
net loss
net profit
number of years
overhead
overruns
payment
percentage
planning
profit
profit and loss
purpose
rent
revenue
running
sales
telephone
trading period
wages

Verbs

to budget
to classify
to close off

to compare
to curtail
to debit
to deduct
to give
to identify
to involve
to list
to plan
to prepare
to purchase
to receive
to record
to run
to save

Adjectives

accurate
actual
daily
net

Other

day-to-day

NAME: _____ DATE: _____
BUSINESS: Profit and loss account

Vocabulary file 1

This activity may be done in language support class or in the mainstream subject classroom.

Word	Meaning	Word in my language
assets		
bad debt		
bank loan		
discount		
expenditure		
figures		
interest		



Get your teacher to check this and then file it in your folder so you can use it in the future.

NAME: _____ DATE: _____
BUSINESS: Profit and loss account

Vocabulary file 2

This activity may be done in language support class or in the mainstream subject classroom.

Word	Meaning	Word in my language
ledger		
net loss		
net profit		
planning		
revenue		
sales		
trading period		



Get your teacher to check this and then file it in your folder so you can use it in the future.

NAME: _____ DATE: _____
BUSINESS: Profit and loss account

Vocabulary file 3

This activity may be done in language support class or in the mainstream subject classroom.

Word	Meaning	Word in my language
to budget		
to classify		
to close off		
to curtail		
to identify		
to plan		
accurate		



Get your teacher to check this and then file it in your folder so you can use it in the future.

NAME: _____ DATE: _____
BUSINESS: Profit and loss account

Level: all
Type of activity: whole class

Focus: vocabulary, spelling,
dictionary use
Suggested time: 10 minutes

Activating students' existing knowledge

Use a spidergram to activate students' ideas and knowledge on the key points in this chapter. See **Teachers' Notes** for suggestions.

Possible key terms for the spidergram:

debt
income **profit**

- Invite students to provide key words in their own languages.
- Encourage dictionary use.
- Encourage students to organise their vocabulary into relevant categories (e.g. meaning, nouns, keywords, verbs etc.).



Students should record vocabulary and terms from the spidergram in their personal dictionaries.

NAME: _____ DATE: _____
 BUSINESS: Profit and loss account

Level: A1
 Type of activity: pairs or individual

Focus: vocabulary, spelling, dictionary
 Suggested time: 30 minutes



Working with words

1. Tick the correct answer



- a) this is a bank loan
- b) this is a lorry
- c) this is a lunch table
- d) this is a tree



- a) this is a jobseeker
- b) this is a ledger
- c) this is a bottle
- d) this is a soft drink

2. Find these words in your textbook.

Write your own explanation for these words. Then write the word in your own language. Use your dictionary if necessary.

Word	Page in textbook	Explanation	In my language
account			
bad debt			
profit			
loss			

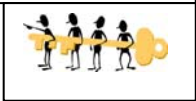


Check that these key words are in your personal dictionary.

NAME: _____ DATE: _____
 BUSINESS: Profit and loss account

Level: A1
 Type of activity: pairs or individual

Focus: vocabulary, basic sentence structure
 Suggested time: 30 minutes



Picture Sentences

1. Tick the correct answer

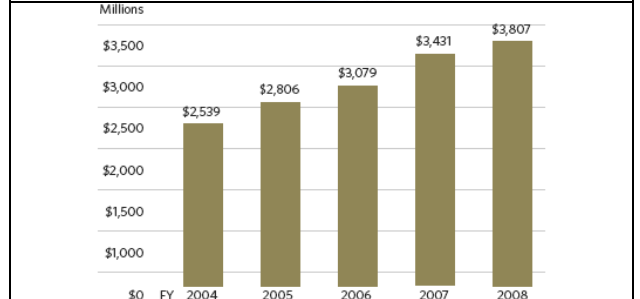
- a) This is a CD-ROM.
- b) These are pages.
- c) This is a percentage sign.



- a) This is a stapler.
- b) This is a speaker.
- c) This is a profit and loss account.

BANK OF TANZANIA PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 ST JUNE 2008			
INCOME	NOTE	TZS	US\$
Interest on Loans	26	17,238,762,881	177,724,887
Interest on Deposits	26	24,282,284,912	247,254,232
Other Income	26	85,457,274	872,252,284
OPERATING EXPENSES			
Salaries and Wages	27	2,123,828,841	21,767,881
Depreciation	28	14,442,888,248	147,248,111
Amortisation	28	17,245,888,248	176,248,111
Contractual Service Expenses	29	18,745,888,248	191,248,111
Administrative Expenses	30	8,888,888,248	90,248,111
OPERATING PROFIT		21,288,814	217,248,111
Other Income		1,234,567,890	12,567,890
EXPANSIVE COSTS		(20,300,767,890)	(208,732,100)
NET PROFIT FOR THE YEAR		1,222,614,111	12,533,890
RECONCILIATION OF PROFIT			
Operating Profit		2,000,000,000	20,000,000
Provision for Doubtful Debts		(800,000,000)	(8,000,000)
Provision for Bad Debts		(800,000,000)	(8,000,000)
Change in Fair Value of Financial Assets		2,000,000,000	20,000,000
NET PROFIT FOR THE YEAR		1,222,614,111	12,533,890

- a) This is a desk.
- b) These are profits.
- c) This is a bird.



2. Put these words in the correct order to form sentences.

expensive is it run to a school

some expenses list a school have might

you prepare loss and profit account every year must a

NAME: _____ DATE: _____
BUSINESS: Profit and loss account

Level: A1 / A2
Type of activity: pairs or individual

Focus: word identification, vocabulary
Suggested time: 20 minutes

Odd One Out



1. Circle the word which does not fit with the other words in each line.

Example: *apple* *orange* *banana* **taxi**

loss account profit bag

overheads cat business expenses

telephone mother rent heat

advertising sales stars insurance

2. Find these words in your textbook. Then put them in short sentences in your own words. Use a dictionary if necessary.

to budget _____

to compare _____

to debit _____

to save _____

to purchase _____



Check that these key words are in your personal dictionary.

NAME: _____ DATE: _____

BUSINESS: Profit and loss account

Level: A2 / B1

Type of activity: individual

Focus: key vocabulary, writing descriptive text

Suggested time: 20 minutes



Business Keywords

1. Fill in the missing letters of the keywords listed below.

On the line beside each word, write whether the word is a noun, an adjective or a verb.

expe__it__re _____

rec__ve _____

ins__an__e _____

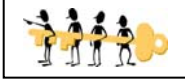
bu__et _____

2. Write as many words as possible related to **profit and loss**. You have 3 minutes!

NAME: _____ DATE: _____
 BUSINESS: Profit and loss account

Level: A1 / A2
Type of activity: pairs or individual

Focus: key vocabulary, pronunciation, spelling
Suggested time: 20 minutes



Unscramble the letters

1. This is something you have been given CEREIDVE

Answer _____

2. This is when you make money ROTPIF

Answer _____

3. You can speak to people far away with this PHELOENET

Answer _____

4. When you get something ready before it is needed PEPRER

Answer _____

Look at each word as you write the answer.

Is your spelling correct?

Can you pronounce the word?

Do you know what the word means?

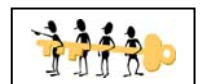
Have you got this word in your personal dictionary?



Solve the secret code

English=	A	D	E	H	I	N	O	P	R	S	V	X
Code=	B	X	Y	F	G	Q	K	T	L	M	C	W

example: (code) FBGL = HAIR (English)



KCYLFYBXM BLY YWTYQMGCY =

NAME: _____ DATE: _____

BUSINESS: Profit and loss account

Level: A12/B1

Type of activity: pairs or individual

Focus: vocabulary, sentence structure, reading comprehension

Suggested time: 30 minutes



Completing sentences

1. Fill in the blanks in these sentences. Use words from the Word Box below.

Capital Expenditure - Purchasing fixed assets which will last a number of years, e.g. equipment, machinery, premises, motor vehicles. These assets are _____ in the balance sheet and not in the _____ and loss account.

Revenue Expenditure - _____ involved in the day-to-day running of the business, e.g. wages, _____, insurance, advertising, telephone. These expenses are recorded in the profit and _____ account.

Word Box:

loss	recorded	rent
profit	expenses	

2. Now answer the following questions on the text:

- What is capital expenditure?
- Where is capital expenditure recorded?
- What is revenue expenditure?
- Where is revenue expenditure recorded?

NAME: _____ DATE: _____

BUSINESS: Profit and loss account

Level: A2 / B1

Type of activity: individual

Focus: key vocabulary, topic information, reading comprehension

Suggested time: 30 minutes

Multiple choice



Read the text below and choose the best answers.

PROFIT AND LOSS ACCOUNT

A. Purpose of a Profit and Loss Account

The purpose of a profit and loss account is to find the net profit or net loss made by a business in the trading period - profit after all expenses are deducted.

B. Gains

Gains are income other than trading income received by a business, e.g. rent received, discount received, interest received, insurance received, bad debt recovered.

C. Expenses/Overheads

Overheads are the expenses involved in the running of a business on a daily basis, e.g. rent, insurance, wages, telephone.

D. Finding Net Profit/Net Loss

(1) Add gains to gross profit.

(2) Subtract total expenses.

E. Monitoring Overheads - Higher Level

Firms must curtail overheads as much as possible otherwise their net profit will be substantially reduced. All overheads must be recorded carefully.

(1) Establish whether the expense is necessary.

(2) Record the payment carefully.

(3) Check all bills for accuracy before payment.

(4) Eliminate wastage in the business, i.e. unnecessary telephone calls.

1. What is the purpose of a profit and loss account?

- | | |
|-------------------------------|-----------------------------|
| a) to make a business | b) to deduct expenses |
| c) to find net profit or loss | d) to find a trading period |

2. How is rent or insurance recorded by a business?

- | | |
|--------------|--------------|
| a) gains | b) bad debts |
| c) discounts | d) expenses |

3. How many steps are there to calculate net profit or net loss?

- | | |
|---------|----------|
| a) one | b) three |
| c) none | d) two |

4. Should you record all overheads carefully?

- | | |
|--------|-------|
| a) Yes | b) No |
|--------|-------|

5. Should you pay bills without checking them for accuracy?

- | | |
|--------|-------|
| a) Yes | b) No |
|--------|-------|

NAME: _____ DATE: _____

BUSINESS: Profit and loss account

Level: A2 / B1

Type of activity: pairs / small groups

Focus: vocabulary, structure, creating text

Suggested time: 40 minutes



Writing

1. In business you often have to interpret (understand) figures, and talk about them. Write sentences about the figures in the grid.

Trading Account for the year ending December 08,.

	€	€	€
Sales			8,000
Less returns			100
			7,900
Opening stock		200	
Purchases	3,900		
Less returns	100	3,800	
		4,000	
Less closing stock		300	
Cost of goods sold			3,700
Gross Profit			4,200

The company had sales of €8,000 at the year end

2. Compare your sentences with the sample sentences in the Answer key.

3. Draw another grid with different figures. Swap it with a partner. Your partner must make sentences describing the figures.

NAME: _____ DATE: _____

BUSINESS: Profit and loss account

Level: B1

Type of activity: individual and pairs

Focus: identifying adjectives and nouns

Suggested time: 30 minutes



Grammar points

1. In this Unit, we came across the following adjectives:

- **accurate**
- **actual**
- **net**

Look up these words in your dictionary and write your own definition.

Adjective	Meaning	Word in my language
accurate		
actual		
net		

2. In this unit we came across many nouns associated with profit and loss accounts.

Noun Hunt

Circle 10 nouns from the unit in these columns.

Score 4 points for each correct answer.

Who will score the highest? Perhaps you will. Good luck!

close

account

red-brick

bad debt

detached

expense

ledger

orientate

overheads

terraced

profit

suburban

wages

pretty

dull

percentage

geographical

revenue

identify

expenditure

newly-built



Have you ticked this activity on your Learning Record?

Score: _____ points

NAME: _____ DATE: _____
BUSINESS: Profit and loss account

Level: A2/B1
Type of activity: individual and pairs

Focus: phrases related to personal finances
Suggested time: 30



Vocabulary building

1. The following phrases are all connected with money. Put a smiley or a sad face, next to each phrase depending on which phrases mean that you have money, which phrases mean that you haven't any money.



To be in debt

To be a millionaire

To have bad debts

To earn a fortune

To be very wealthy

To be heavily in debt

To be comfortably off

To be hard up

To be broke

To be well-off

To be on the breadline

To be made of money

To be bankrupt

2. Which expressions from the list describe your financial situation at the moment? Write out 2 sentences.

3. Next write out 2 sentences to describe your ideal financial situation.

NAME: _____ DATE: _____

BUSINESS: Profit and loss account

Levels A1 and A2

Alphaboxes

Using your textbook, find **one** word beginning with each of the letters of the alphabet. Write the word in the relevant box. You could also write the word in your own language.

a	b	c
d	e	f
g	h	i
j	k	l
m	n	o
p	q	r
s	t	u
v	w	xyz

Do you understand all these words?



Get your teacher to check this, then file it in your folder so you can use it in the future.

NAME: _____ DATE: _____

BUSINESS: Profit and loss account

Word Search Level: All levels



Find the words in the box below.

P J E

H G H J B S K U W

E O F H G A I N S D H H G

J V X O T F M H U G C A W B U F O

X O T I H J D E X P E N D I T U R E V

Q X T G B H H G A H E C C H A U R S F T W

W Q S P A Y M E N T I I N C O M E J J B Z

A U Z I L O S S D V Q U U I K A X K B K P B S

U L K N P X N K I N M U P L A N N I N G O O W

S J Y J I X Y G J D B C X N O V R A C Y C V Q X I

T G H F N G Y L E D G E R C Q V Y V L G B M U Y O

C F F C W D N X I B D W V P U R P O S E I P G S W

D P M L R F B T W Z G F D I L E B O T W F R F M U R X

R L A I I T D A H P E R C E N T A G E U T O I M R S K

N K C U N E C C M S C E X T O S P R U A S S E T S V M

M C T F I G U R E S Q M N T Y T D U L C R E D I T

E U W R Y F L L J O P R O F I T A N D L O S S S B

W F Z T R A D I N G P E R I O D O V E R R U N S D

Q X S R U G D U E R X G M P R O F I T A S B U

D V J A R U Q J U N B U W B A L A N C E B O V

V E R S B U T N O I Z N W Q N P U W M F U

J U K M J Y T Q R E V E N U E X P E N S E

B U S I N E S S B M T F P U O Q Z U G

N I J B L P B L O A N W C D G I W

W O V E R H E A D Y L A O

V T C R N F K C I

Q L U

ASSETS	INCOME	PLANNING
BALANCE	LEDGER	PROFIT
BUSINESS	LOAN	PROFIT AND LOSS
CREDIT	LOSS	PURPOSE
EXPENDITURE	OVERHEAD	REVENUE
EXPENSE	OVERRUNS	TRADING PERIOD
FIGURES	PAYMENT	
GAINS	PERCENTAGE	

NAME: _____ DATE: _____

BUSINESS: Profit and loss account

Play Snap

Make Snap cards with 2 sets of the same keywords. See *Notes for teachers* for ideas about how to use the cards.



figures	figures
revenue	revenue
to receive	to receive

NAME: _____ DATE: _____

BUSINESS: Profit and loss account

bank	bank
profit	profit
overheads	overheads

NAME: _____ DATE: _____

BUSINESS: Profit and loss account

classify

classify

compare

compare

loan

loan

NAME: _____ DATE: _____

BUSINESS: Profit and loss account

prepare	prepare
expenses	expenses
budgeted	budgeted

NAME: _____ DATE: _____

BUSINESS: Profit and loss account

Answer key

Working with words, page 8

a, b

Picture sentences, page 9

c, c, b

It is expensive to run a school. (Is it expensive to run a school?)

List some expenses a school might have.

You must prepare a profit and loss account every year.

Odd One Out, page 10

Bag, cat, mother, stars

CSPE key words, page 11

Expenditure (noun), receive (verb), insurance (noun), budget (noun or verb)

Unscramble the letters, page 12

Received, profit, telephone, prepare

Secret Code: overheads are expensive

Completing Sentences, page 13

1. Capital Expenditure - Purchasing fixed assets which will last a number of years, e.g. equipment, machinery, premises, motor vehicles. These assets are **recorded** in the balance sheet and not in the **profit** and loss account.

Revenue Expenditure - **expenses** involved in the day-to-day running of the business, e.g. wages, **rent**, insurance, advertising, telephone. These expenses are recorded in the profit and loss account.

2.

- Capital expenditure is the money spent on items which will last for many years.
- Capital expenditure is recorded in the balance sheet.
- Revenue expenditure is the money used in running the business everyday.
- Revenue expenditure is recorded in the profit and loss account.

Multiple Choice, page 14

1c,2a,3d,4a,5b

Writing, page 15

These are some sample sentences to describe the figures.

NAME: _____ DATE: _____

BUSINESS: Profit and loss account

The company had sales of €8,000 at the year end. Less returns, this came to €7,900. The company had opening stock of €200 and closing stock of €300. The company had purchases of €3900, less returns of €100. The cost of the goods sold came to €3,700. This makes the gross profit €4,200.

Grammar points, page 16

Nouns associated with profit and loss accounts:

account
bad debt
expense
ledger
overheads
profit
wages
percentage
revenue
expenditure

Vocabulary building, page 17

Have money: to be a millionaire, to earn a fortune, to be made of money, to be very wealthy, to be well-off, to be comfortably off

Haven't any money: to be in debt, to have bad debts, to be heavily in debt, to be hard up, to be broke, to be on the deadline, to be bankrupt

NAME: _____ DATE: _____

BUSINESS: Profit and loss account

Word search, page 19

P J E
H G H J B S K U W
E O F H G A I N S D H H G
J V X O T F M H U G C A W B U F O
X O T I H J D E X P E N D I F U R E V
Q X T G B H H G A H E C C H A U R S F T W
W Q S P A Y M E N T I I N C O M E J J B Z
A U Z I L O S S D V Q U U I K A X K B K P B S
U L K N P X N K I N M U P L A N N I N G O O W
S J Y J I X Y G J D B C X N O V R A C Y C V Q X I
T G H F N G Y L E D G E R C Q V Y V L G B M U Y O
C F F C W D N X I B D W V P U R P O S E I P G S W
D P M L R F B T W Z G F D I L E B O T W F R F M U R X
R L A I I T D A H P E R C E N T A G E U T O I M R S K
N K C U N E C C M S C E X T O S P R U A S S E T S V M
M C T F I G U R E S Q M N T Y T D U L C R E D I T
E U W R Y F L L J O P R O F I T A N D L O S S S B
W F Z T R A D I N G P E R I O D O V E R R U N S D
Q X S R U G D U E R X G M P R O F I F A S B U
D V J A R U Q J U N B U W B A L A N C E B O V
J U K M J Y T Q R E V E N U E X P E N S E
B U S I N E S S B M T F P U O Q Z U G
N I J B L P B L O A N W C D G I W
W O V E R R H E A D Y L A O
V T C R N F K C I
Q L U