AHMADU BELLO UNIVERSITY, ZARIA

DISTANCE LEARNING CENTRE

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DEPARTMENT:	**PUBLIC ADMINISTRATION**
COURSE CODE:	**Acct 101 (Introduction to Accounting)**

GROUP ASSIGNMENT

QUESTIONS: Explain the following

- **a.** Turnover
- **b.** Income
- **c.** Expenditure
- **d.** Share
- **e.** Drawings
- **f.** Miscellaneous
- **g.** Directors remuneration
- **h.** Equity
- **i.** Assets
- **j.** Company
- **k.** Fixed Asset
- **l.** Amalgamation of companies
- **m.** Absorption of a company

1. **Turnover**: is a concept in accounting that shows how quickly a company runs its business. The most common ways to measure a company's turnover are the accounts receivable and inventory ratios. In investing, turnover is how much of a portfolio is sold in a given month or year. An example of turnover? Consider the following inventory turnover example: A company has 100,000 in sales in one month and average inventory of 10,000. The 100,000 in sales is divided by the average inventory of 10,000 to arrive at a turnover of 10.

2. **Income:** is the difference between revenue and the cost or expenses incurred by a business in a particular accounting period. It is also known as the profit of a business. Income leads to an increase in the value of assets in a business.

3. **Expenditures**: refer to the total purchase price of a good or service.

4. **Shares**: represent equity ownership in a corporation or financial asset, owned by investors who exchange capital in return for these units. Common shares enable voting rights and possible returns through price appreciation and dividends.

5. **Drawings:** refer to the act of withdrawing cash or assets from the company by the owner(s) for personal use.

6. **Miscellaneous expenses:** are small transactions that do not fit within the ledgers' specified accounts. Miscellaneous expenses, meaning costs that don't fall into a specific tax category, must be recorded and accounted for in your business's general ledger account.

7. **Directors' remuneration:** refers to how directors of a company are compensated by a company for their services usually fees, salary, use of company property or other benefits. The packages are first approved by shareholders and the board of directors.

8. **Equity**: is the amount of money that a company's owner has put into it or owns. On a company's balance sheet, the difference between its liabilities and assets shows how much equity the company has. The share price or a value set by valuation experts or investors is used to figure out the equity value.

9. **An asset:** is anything that has current or future economic value to a business. Essentially, for businesses, assets include everything controlled and owned by the company that's currently valuable or could provide monetary benefit in the future. Examples include patents, machinery, and investments.

10. **A company:** is a legal entity formed by a group of individuals to engage in and operate a business commercial or industrial enterprise. A company may be organized in various ways for tax and financial liability purposes depending on the corporate law of its jurisdiction.

11. **A fixed asset**: also known as a capital asset is a tangible piece of property, plant, or equipment (PP&E) that you own or manage with expectations that it'll

continuously help generate income. An asset is fixed when it's an item that your business won't consume, sell, or convert to cash within the next calendar year.

12. **Amalgamation of companies:** or consolidation refers to the combination of financial statements. For example, a group of companies reports their financials on a consolidated basis, which includes the individual statements of several smaller businesses.

13. **Absorption of companies:** is when one company absorbs another company to form a single “existing company”. Only one company survives absorption, while the others lose their identity.