



## Answer Sheet (for self-check)



### Answers – Episode 1: What is Accounting?



#### Section 1: Understanding Accounting

**Q1.** Accounting is the process of recording income and expenses in a structured way to understand financial position.

**Q2.** It's similar to maintaining a diary of expenses because it keeps track of money coming in and going out regularly.

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#### Section 2: Importance of Accounting

**Q3.**

1. Know how much profit you made
2. Track receivables and payables
3. Plan for future growth

**Q4.**

Benefit	Explanation
A. Know profit/loss	3. Know earnings after expenses
B. Track receivables	2. Know how much customers owe you
C. Plan growth	1. Helps in future planning

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#### Section 3: Basic Terms

**Q5.**

Term	Meaning
A. Income	2. What you earn
B. Expense	3. Money you spend
C. Asset	4. Cash, stock, or machine you own
D. Liability	1. What you owe to others
E. Capital	5. Your own money invested in business

**Q6.**

- a) Asset
- b) Expense
- c) Capital

- d) Income
  - e) Liability
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#### **Section 4: Where Accounting is Used**

**Q7.**

1. Small shops
2. Big companies
3. NGOs
4. Freelancers

**Q8.**

- a) False
- b) True
- c) False