10 Financial position and depreciation – Part 2

Name: ____________ Class: ________ Date: ________

Vocabulary 词汇

Write each word three times. 把每个单词抄写三遍。

English	中文	Write it 3 times (English)		
statement of financial position	财务状况表			
assets	资产			
liabilities	负债			
equity	所有者权益			
Depreciation	折旧			

Recall

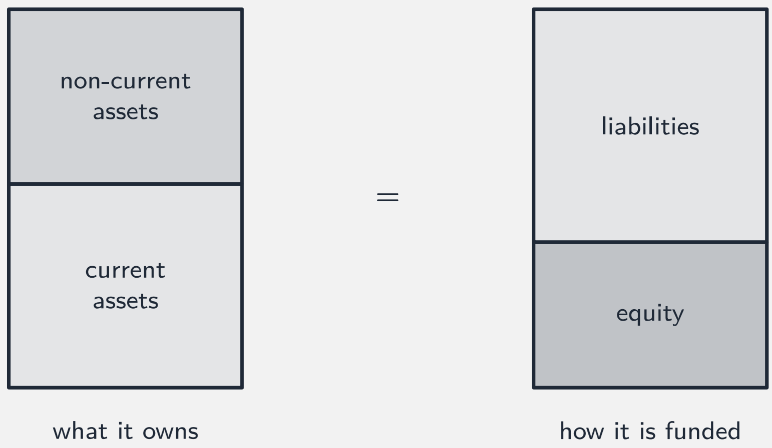
The second financial statement is a photo of what a business owns and owes on one day.

New ideas

Read these first, then do the Practice.

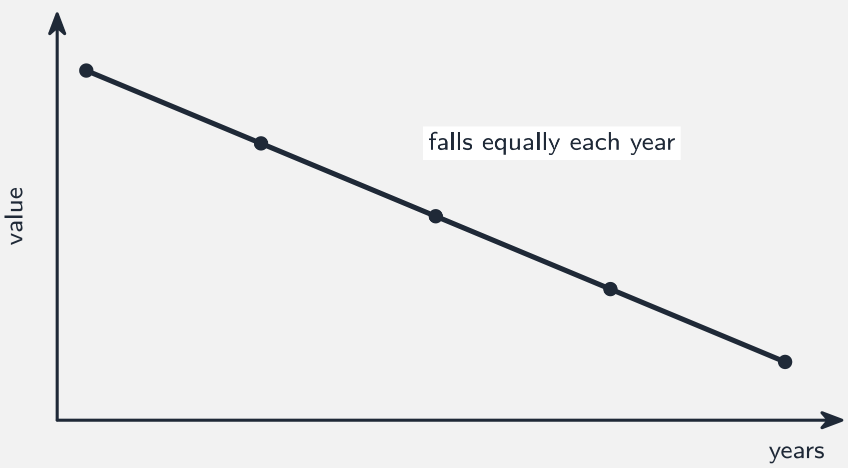
■ **1 The statement of financial position**

The **statement of financial position** 财务状况表 always balances:



- **assets** 资产 are what the firm owns (buildings, machines, stock, cash);
- **liabilities** 负债 are what it owes (debts);
- **equity** 所有者权益 is the owners' money in the business;
- the rule: assets = liabilities + equity.

■ 2 Depreciation



Depreciation 折旧 spreads the cost of a non-current asset over the years it is used. A £10,000 machine used for 5 years may lose £2,000 of value each year.

Watch out: the statement of financial position is a *snapshot* on one day (the income statement covers a whole year). It must balance: assets = liabilities + equity. Depreciation spreads an asset's cost over its useful life.

Practice

Try these in order.

10.6 What does the *statement of financial position* show? [1]

10.7 Write the balancing rule (assets = ...). [1]

10.8 Are buildings and machines *assets* or *liabilities*? [1]

10.9 What is *depreciation*? [1]

10.10 A £10,000 machine loses value evenly over 5 years. How much each year? [1]

10.11 Challenge. A firm buys a £15,000 van expected to last 5 years. Using straight-line depreciation, find the yearly depreciation and the van's value after 2 years. [2]