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## Lecture One - Introduction

- 1. What are the three forms of private enterprise?**
  - **Service businesses**
  - Merchandising businesses
  - Manufacturing businesses
- 2. What are three common business forms?**
  - Sole proprietorship (like Sweet Temptations)
  - Partnership (like KPMG)
  - Company/corporation (like JB Hi Fi Ltd)
- 3. Choice of legal business form is an important decision because legal form determines what three things?**
  - Business owners' personal obligation for the debts of the business
  - Taxation
  - Legal/regulatory requirements including financial reporting requirements
- 4. What type of accounting information do users inside the business rely on and for what three things?**

Management accounting information to support planning, operating and evaluating activities

**5. What type of accounting information do users external to the business rely on and for what?**

Financial accounting information to decide whether to engage in some activity with the business (like buying some shares)

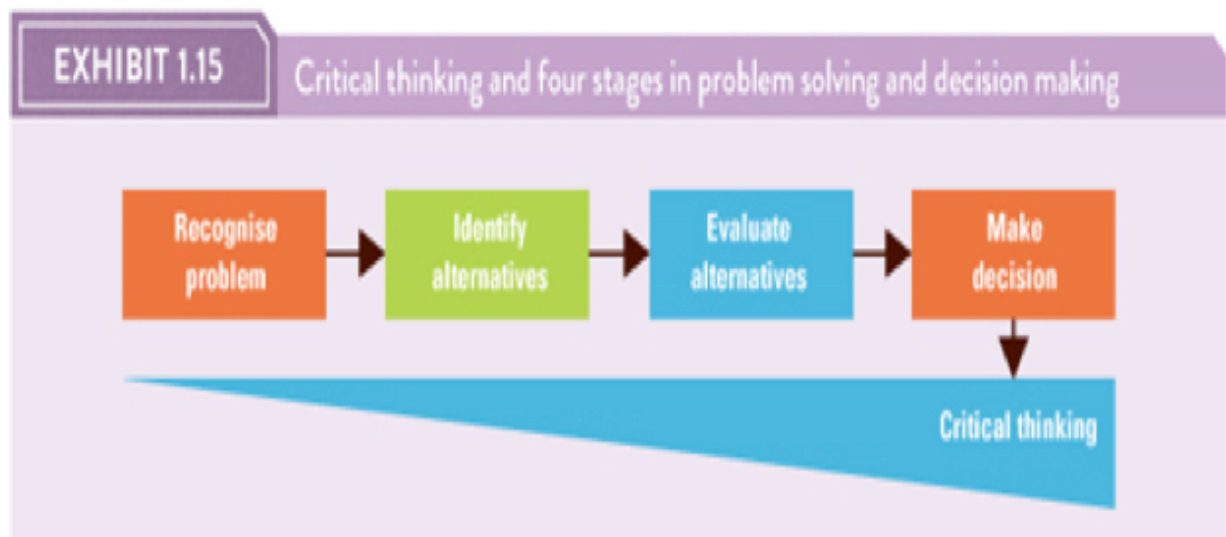
**6. What management accounting information is used for internal users (five things)?**

- Budgets
- Cost analysis
- Cost reports for products and services
- Periodic (e.g. monthly/weekly/daily) actual financial results for business sub-units
- One-off reports or analysis to support non-routine decision making

**7. What financial accounting information is used for internal users (two things)?**

- Form and content determined by GAAP - Generally Accepted Accounting Principles (GAAP) are the currently accepted principles, procedures, practices and standards used in Australia for external reporting
- **Periodic reporting (annual, interim)**

**8. What are the four stages in problem solving and decision making?**



**9. What six things does a business plan typically include?**

- Description of the business
- Marketing plan
- Operating plan
- Environmental management plan