Grade 8 Pre-Technical Studies Topical Questions and Answers on Entrepreneurship

1. What is the purpose of bookkeeping in entrepreneurship?

- Bookkeeping helps keep regular, accurate records of financial transactions in a business, aiding in decision-making and tax preparation.

2. What advantages do cash transactions offer in entrepreneurship?

- Cash transactions are simple, fast, secure personal information, and help in sticking to a budget without accruing additional charges.

3. What are the disadvantages of credit transactions?

- Credit transactions can lead to bankruptcy if customers fail to pay and may incur additional charges and interest.

4. How do entrepreneurs use bookkeeping to manage their businesses?

- Entrepreneurs use bookkeeping to make informed budgeting decisions, track financial progress, and ensure compliance with regulatory requirements.

5. What is the formula for bookkeeping mentioned in the document?

- The bookkeeping formula is Assets = Liabilities + Capital.

6. Define 'income' in the context of entrepreneurship.

- Income refers to money earned regularly from work, investments, or business operations.

7. What are the two main categories of income sources for entrepreneurs?