

## Activity #1

## BAF3M - Accounting

Feb 8, 2012

It was late August and Amanda Del Toro was about to attend her first St. Mary's Catholic High School student council meeting as treasurer. She was elected back in June with the encouragement of last year's treasurer and Amanda's good friend, Michelle Balbard. Michelle was now attending far off Queen's university. Amanda's first duty was to recommend to the student council executive the amount to charge students for the student activity fee.

On the floor of the Student Council room was a box that Michelle left behind containing the entire financial information from the previous year. Amanda opened the box. She gasped in disbelief. The box was stuffed with dishevelled papers; bills, receipts, cheques, bank statements, cash and a few rolls of coin. How was she supposed to make sense of this mess? How could she make an informed decision without knowing any information about last year's student council? How could Michelle have been so disorganized? For Michelle to leave behind such a jumble was unforgivable. Amanda became very angry. "Where to start?" she thought. "I only have an hour before the meeting!"

Amanda started to pull out papers; a receipt for food for the semi-formal, a five dollar bill, a \$50.00 cheque that had not been deposited, the July bank statement. Amanda paused and looked at the balance on the bank statement; negative \$758.00!

### Question:

What action should Amanda take to ensure that she makes an informed decision regarding the student activity fee?

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Some Help....

## What is Accounting?

Accounting is the classifying, recording, summarizing, and analysing of financial information. Your answer should mention each of these activities.

## Bookkeeping vs. Accounting

So what is bookkeeping? Bookkeeping involves the recording part of accounting. Usually accountants do not do the recording of information. Accountants are primarily responsible for summarizing and analysing the information.

## Purpose of Accounting

The purpose of accounting is to provide information for decision-making; should a business hire more people? Should a new machine be purchased? Should a factory be moved?