

### Service Entities

**Profit for the period** = commissions - fees - Operating Expenses (admin. + distribution expenses)

### Retail Entities

**Profit for period** = sales revenue - COS - (Operating + financial expenses)

### Inventories Definition

Assets that are held: for sale in the ordinary course of business; in the process of production; in the form of materials/supplies to be consumed within business operation

### Transaction Price Definition

The amount to which an entity expects to be entitled in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties

### Types of Discounts

**Cash:** offered at point of purchase/sales

**Settlement:** goods bought on credit and discount is offered for early settlement

**Trade:** associated with purchases/sales between retailers and suppliers

### Perpetual System

Immediate and up-to-date information about inventory on hand

**Weakness:** Owing to theft, inventory account doesn't reflect actual cost

C

By **Neshikins**  
[cheatography.com/neshikins/](https://cheatography.com/neshikins/)

Not published yet.  
Last updated 5th October, 2024.  
Page 1 of 1.

Sponsored by **Readable.com**  
Measure your website readability!  
<https://readable.com>