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| Name: Date: |

# 2. Types of income

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| **Question:** | **Your answer:**  |
| What is an Individual Voluntary Arrangements (IVAs) bankruptcy? |  |
| What is a debt counsellor? |  |
| Give two reasons why accounting is important |  |
| What is fraud? |  |
| State three ways bank can communicate with customers |  |

Do now activity:

**Types of income**

Income is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

There are two types of income: 1. Capital income 2. Revenue income

**Think, Pair, Share:** In your pairs, discuss what you think the difference might be

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| Capital income |  |
| Revenue income  |  |

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| **Capital income** | **Loans:** **Mortgages:****Shares:****Owner’s capital:****Debentures:** |
| **Revenue income** | **Sales:****Rent received:****Commission received:** **Interest received:****Discount received:** |

**Knowledge check**

1. Explain, using examples, the difference between capital income and revenue income

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1. How could capital income lead to revenue income?

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1. What is ‘commission’?

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1. What is the difference between a loan and a mortgage?

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1. Explain what a debenture is.

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1. What is an asset?

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