

Recordkeeping for the Different Types of Businesses

Students learn the differences in accounting recordkeeping for the different types of businesses.

- Service Business
- Merchandising Business
- Manufacturing Business
- Extracting Business

Great for a SUB DAY!

NO PREP! SAVE TIME!



BUSINESS EDUCATION WITH *Denise Leigh*

Students learn the differences between accounting recordkeeping for the various types of businesses:

NO PREP!

- **Service Business,**
- **Merchandising Business,**
- **Manufacturing Business,**
- **Extracting Business**



There are FOUR types of businesses.

- Service Business- Does Something
- Manufacturing Business- Makes Something
- Merchandising Business- Sells Something
- Extracting Business- Collects Something

When keeping accounting records, the book keeper or accountant must keep the nature of the business in mind. Each type of business is special in its own way.

Business Ed With Denise Leigh (C) 2020

There are FOUR types of businesses.

- Service Business- Does Something
- Manufacturing Business- Makes Something
- Merchandising Business- Sells Something
- Extracting Business- Collects Something

When keeping accounting records, the book keeper or accountant must keep the nature of the business in mind. Each type of business is special in its own way.

Business Ed With Denise Leigh (C) 2020

Merchandising Business

Keeping accounting records for a merchandising business can be more difficult with the record keeping of inventory. Inventory is an asset that is listed on the balance sheet, however, it can be a liability if the business has too much inventory and is unable to sell it all. Merchants must know how much inventory to buy so that they are profitable. Stores sell different items throughout the year depending on the season.

In a well developed paragraph, describe what items a department store (such as Wal*Mart or Target) might sell.

MERCHANDISING

Business Ed With Denise Leigh (C) 2020

Extracting businesses are those that gather or extract natural resources from the earth. Dairy farms, grape orchards, wheat farms, coal mines and natural gas companies are all extracting businesses. Often, the greatest asset that these companies have is equipment that helps them extract what they are selling.

Think of an extracting company near you. What large piece of equipment do you see on their website? If you were to be the word "sales" on their income statement, what word would that be?

EXTRACTING

Extracting Business

Business Ed With Denise Leigh (C) 2020

A manufacturing business is a business that makes something.

The #1 focus of manufacturing businesses is to focus on making profitable products!

Select two components of manufacturing overhead from the list provided. Using your accounting knowledge, explain how these two components can be allocated in the accounting process.

Manufacturing overheads can include:

- Selling and administrative expenses
- Rent on factory buildings
- Depreciation and property taxes on facilities
- Maintenance costs

MANUFACTURING

Business Ed With Denise Leigh (C) 2020

Service Businesses

Prompt: Service businesses are businesses who perform a service in exchange for money. Keeping the books for a service business tends to be easier as there is no inventory in which to account.

Think of a service business that you patronize. What accounts do you think that they probably have in their chart of accounts?

SERVICE

Business Ed With Denise Leigh (C) 2020

for a business to be more than one type and to have multiple functions. Be sure to list all types that it could be.

	Service	Merchandising	Manufacturing	Extracting
Target				
Amazon				
Nike				
Hollywood Movie Theater				
Debbie's Dry Cleaning				
Shell Oil Company				
Bailey Coal Mine				

ANALYZE TYPES OF BUSINESSES

Business Ed With Denise Leigh (C) 2020

Teacher Testimonials



I used this assignment at the start of the accounting unit in my Intro to Business class. It served as an introductory tool for students to introduce them to accounting. Thank you again for providing a **wonderful resource**.



I loved this activity. Great critical thinking questions to apply content to. It gets thinking about the big picture. **Great lesson.**



This was a **perfect assignment** (sic) for NTI assignments done during snow days. I will definitely use again.



The **perfect activities** to go with the guided notes product! **I love your products!**

Hi! My name is Denise Leigh. I have been teaching Business Education for over 25 years! I love collaborating with business educators all over the world. I am a 2022 Pennsylvania Teacher of the Year Finalist and relentless lifetime learner and lover of everything education. Engaging students and connecting them to their world is my jam! Thank you for exploring my resources and sharing my passion for BUSINESS EDUCATION!

Denise Leigh is an expert on student-led instruction. She was featured on CBS Pittsburgh for her City Collaborative™ Project-Based Business Education (PBL) Classroom.

