

# Farm Business Management: The Fundamentals of Good Practice

## Chapter 8: Farm Finances, Financial Accounts and Records

### Questions

1. What is a balance sheet?
2. What is a profit and loss account?
3. What is an appropriation account?

### Tasks

1. What do you think are the main uses of farm records? Give examples.
2. Describe a computerised recording scheme that would be useful on a farm you are familiar with. Give your reasoning.
3. How do all the accounts relate to each other? Develop a diagram to reinforce your answer.
4. How should you adjust farm accounts to produce useful management information? Explain the importance of each of the adjustments.
5. Explain the difference between single- and double-entry book keeping. Discuss which system you would use as a farm manager, with reasons.