

Expenditure 2

- Capital Expenditure is spending on items that will **last for a number of years**
eg.: a car, a house, furniture

- ♦ Current Expenditure is spending on **day to day items** used in the process of living
eg.: petrol, light and heat, groceries

- ♦ Cash Purchases means we pay for the goods as soon as we get them

- ♦ Credit Purchases means that we get the goods now and pay for them later - **BUY NOW, PAY LATER!**

- ♦ Accruals are services that we have the use of now but pay for later
eg.: telephone, E.S.B.

- ♦ An Invoice gives details of amounts owed when goods are bought on credit - *same as a bill.*

- ♦ Before paying the amount of an invoice it is important to check to ensure that it is correct.

- ♦ A Delivery Note will accompany goods when they are being delivered.

- A buyer signs the delivery note if they are satisfied that the delivery note matches the goods delivered and ordered.