**Activity 21.1 –** Look at the list below of expenses for a Sports Centre. Using the table tick whether you consider each is either capital expenditure or revenue expenditure.

|  |  |  |
| --- | --- | --- |
|  | **Revenue Expenditure** | **Capital Expenditure** |
| **Purchase of Building** |  |  |
| **Water rates** |  |  |
| **Staff Wages** |  |  |
| **Office equipment** |  |  |
| **Gym Equipment** |  |  |
| **Maintenance of equipment** |  |  |

**Activity 21.2 –** **Asser’s Taxi Business**

Asser has decided to leave his job to set up his own taxi business.

1. Explain to Asser why he will need finance for his new business.

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1. Make a list of the likely set-up costs of this business for its first month of operation.

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1. Indicate which of these assets are revenue expenditures and which are capital expenditures. Explain your answer.

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