

DEFINITION		
Assets are resources owned by an individual or a company that have economic value and can provide future benefits.		
TYPES OF ASSETS		
Current Assets		
Short-term assets that can be converted into cash within a year.		
Cash and cash equivalents	Accounts receivable	
Inventory	Marketable securities	
Fixed Assets		
Long-term resources used in operations, not easily converted to cash.		
Property	Machinery	Vehicles
Plant and equipment (PPE)		
Intangible Assets		
Non-physical assets that have value		
Patents	Trademarks	
Goodwill	Brand recognition	
BENEFITS OF ASSETS		
Generate revenue	Improve company value	
Enhance liquidity	Provide security for loans	

DEFINITION	
Liabilities are financial obligations or debts owed by an individual or a company to others.	
TYPES OF LIABILITIES	
Current Liabilities	
Short-term debts to be paid within a year.	
Accounts payable	Short-term loans
Accrued expenses	Taxes payable
Long-Term Liabilities	
Debts and obligations due after one year.	
Long-term loans	Bonds payable
Mortgages	Deferred tax liabilities
Notes payable	
IMPACT OF LIABILITIES	
Increase financial risk	Affect creditworthiness
Require cash outflows for repayment	

KEY DIFFERENCES		
Add value and provide future economic benefits	Nature	Obligations that need to be settled
LEFT SIDE ←	Balance Sheet	RIGHT SIDE →
INCREASE ↑	Net Worth	DECREASE ↓
ASSET MANAGEMENT	LIABILITY MANAGEMENT	
Focus on acquiring high-value, revenue-generating assets. Regularly evaluate asset performance and liquidity.	Prioritize paying down high-interest and short-term debt. Maintain a balance between debt and equity financing.	