

## Assignment - 1.

### Assets:

An asset is anything that has current or future economic value to a business.

Asset can include tangible items like cash, Property, Inventory, Financial Securities etc.

### Non Current Assets.

Non-current assets also known as long-term assets or Fixed assets that a Company or entity owns and expects to use for more than one year.

Examples: Property Plant and equipment, Intangible assets, Investments etc.

Property, Plant equipment: This category includes buildings, land, machinery, vehicles and other equipment used in the production or distribution of goods and services.

### Intangible assets:

These assets that lack physical substance but have value to the Company. Examples include Patents, Trademarks, Copyrights, Goodwill and Intellectual Property.

### ~~Investments~~: Financial assets,

Financial asset is a liquid asset that gets its value from a contractual right or ownership claim.

Cash, stocks, bonds, mutual funds and bank deposits are all examples of financial assets.

Right of use assets.

Right of use assets is on intangible assets and we are recording the right to use the asset (for ex: the right to use a truck) instead of the actual asset itself.

Deferred tax Asset (not).

A deferred asset refers to expenditures that have been made in the current period but will not be charged against income until a later period.

Non-current tax assets.

typically refers to deferred tax assets that a company expects to realize beyond the current accounting period. ex: cash, inventory and accounts receivable.

Capital work-in-progress:

Capital work in progress that includes expenses like construction costs, equipment purchases and other expenditures related to ongoing projects. Industries like real estate, infrastructure or manufacturing.

## Current assets:

Current assets refer to assets that are expected to be converted into cash used within a year or within the normal operating cycle of a business whichever is longer. Includes items such as cash, inventory, accounts receivable and short term investments.

## Inventories:

Inventories is a balance sheet business asset and the ending balance of inventory is reported on the company balance sheet under current assets.

## Investments:

As appears in several ways as common or preferred shares, mutual funds and notes payable. Sometimes they are made to put excess cash to work for short periods. Other times they are used more strategically over long periods.

## Trade receivables:

Is the amount that customers owe to a business when buying a product or service on credit.

## Cash and cash equivalents:

Are the most liquid current assets found on a business balance sheet. It includes bank accounts and some types of marketable securities such as commercial paper and short-term government bonds.

## Loans

A loan is a sum of money that one or more individuals or companies borrow from banks or other financial institutions.

## Equity and Liabilities.

- Equity represents the ownership interest in a company.
- It consists of the funds contributed by shareholders.
- Equity reflects the net assets of the company that belong to its owners.

**Liabilities:** These represent the obligations a company owes to external parties. They can include accounts payable, accrued expenses, loans, bonds and other financial obligations that must be settled in the future.

## Non-Controlling Interest

Is an ownership position in which a shareholder owns less than 50% of outstanding shares and has no control over decisions.

## Non-current Liabilities.

Is also known as long term liabilities. Are obligations of a company that are not expected to be settled within the normal life of the business typically longer than one year.

## Borrowings

generally refer to funds that a company has borrowed from external sources, typically in the form of loans or debt instruments.

## Lease Liabilities

When a company enters into lease agreements to use assets, such as equipment or property and commits to lease payments over a specified period.

## Provisions

The ~~amount~~ are funds set aside by a business to cover specific anticipated future expenses or other financial impacts.

## Current Liabilities

are listed on the balance sheet and are paid from the revenue generated by the operating activities of a company. ex: account payable, short-term debt, accrued expenses and dividends payable.

## Trade Payables

Trade Payables arise when a company purchases goods or services on credit from suppliers or vendors. It represents the amount owed to these suppliers for goods or services received.