



## Balance Sheet

The purpose of the balance sheet is to report the financial position of an accounting entity at particular point in time. It is composed by three sections: Assets

## Income Statement

The income statement (statement of income, statement of earnings, or statement of operations) reports the accountant's primary measure of performance of a business, revenues less expenses during the accounting period. While the term profit is used widely for this measure of performance, accountants prefer to use the technical term net income or net earnings.

## Statement of Cash Flows

**Statement of Cash Flows** The statement of cash flows (cash flow statement) divides a company's cash inflows and outflows (receipts and payments) into the three primary categories of cash flows in a typical business: cash flow from operating, investing, and financing activities. Cash flow is an important indicator of a company financial health.

## Statement of Stockholders' Equity

The Statement of stockholders' equity (Statement of retained earnings) reports the way that net income and the distribution of dividends affected the company's financial position during the accounting period. Net income earned during the year increases the balance of retained earnings, showing the relationship of the income statement to the balance sheet.

## Bonds

A bond is a debt security that corporations, credit institutions or governmental bodies issue when they borrow large amount of money. It is a formal contract to repay borrowed money with interest at fixed intervals. Bonds provide the borrower with external funds to finance long-term investments or, in the case of government bonds, to finance current expenditure.

## Stocks

When you invest in a corporation, you are known as a stockholder or shareholder. As a stockholder, you receive shares of stock that you subsequently can sell on established stock exchanges. Each company has a maximum number of shares that can be sold, called the authorized number of shares. Stock that has been sold to the public is called issued shares. Stockholders can pursue both capital and dividends gain.