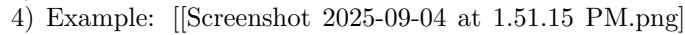


Contents

The order by ascending orders 1) Income Statement(During the year) or The statement of profit and loss:

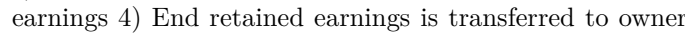
1) Income(Revenues and gains) 2) Expenses and losses

3) Revenue + Gains - Expenses + Losses = Net Income

4) Example:  2) Statement of Retained Earnings(During the year):

1) Positive balance indicates revenues exceeded expenses(Cumulative)

2) Negative suggests a problem

3) Beginning retained earnings + Net Income + Other comprehensive Income - Dividends = Ending retained earnings 4) End retained earnings is transferred to owner's equity 5) Example: 

3) Balance Sheet(End of the year):

1) Owner's equity = shares + Retained earnings. 2) Assets:

1) Current Assets:

1) Expected to be converted to cash, sold, or consumed, etc

2) Cash and cash equivalent, short-term investment.

2) Non-Current Assets: 1) Held longer than a year: land, building, hardwares...

2) Intangibles

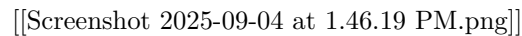
3) Long-term investment

3) Assets = Liabilities + Shareholder/Owner's Equity [The Accounting Equation]. 4) Owns = Owes 5) Examples

4) Statement of Cash Flows

1) (TBD at the end of term)

The properties of each statements.



Some definitions.

