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: [[Screenshot 2025-09-04 at 1.51.15 PM.png]] 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: [[Screenshot 2025-09-04 at 1.54.56 PM.png]] 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 Follows
 - 1) (TBD at the end of term)

The properties of each statements.

[[Screenshot 2025-09-04 at 1.46.19 PM.png]]

Some definitions.

[[Screenshot 2025-09-04 at 1.41.42 PM.png]]