a)The terminologies used in financial statements are:-

**Balance Sheet:-** A balance sheet is a financial statement that reports a company's assets, liabilities and shareholders' equity.

**CahFlow:-** Cash flow is the amount of cash that flows in and out of a business in a specific period.

**Profit& Loss Account:-** The profit and loss (P&L) statement is a financial statement that summarizes the revenues, costs, and expenses incurred during a specified period, usually a fiscal quarter or year.

**Capital:-** Capital is typically cash or liquid assets being held or obtained for expenditures.

**Assets:-** an asset is any resource owned or controlled by a business or an economic entity.

**Liablity:-** A liability is something a person or company owes, usually a sum of money.

**Income Statement:-** The income statement summarizes a company's revenues and expenses over a period, either quarterly or annually.

**Expenditure:-** An expenditure represents a payment with either cash or credit to purchase goods or services.

b)Differences between service sector and manufacturing sector:-

**Tangibility of Output:-**

The key difference between service firms and manufacturers is the tangibility of their output. The output of a service firm, such as consultancy, training or maintenance, for example, is intangible. Manufacturers produce physical goods that customers can see and touch.

**Production on Demand:-**

Service firms, unlike manufacturers, do not hold inventory; they create a service when a client requires it. Manufacturers produce goods for stock, with inventory levels aligned to forecasts of market demand. Some manufacturers maintain minimum stock levels, relying on the accuracy of demand forecasts and their production capacity to meet demand on a just-in-time basis. Inventory also represents a cost for a manufacturing organization.

**Customer Specific Production:-**

Service firms do not produce a service unless a customer requires it, although they design and develop the scope and content of services in advance of any orders. Service firms generally produce a service tailored to customers’ needs, such as 12 hours of consultancy, plus 14 hours of design and 10 hours of installation. Manufacturers can produce goods without a customer order or forecast of customer demand. However, producing goods that do not meet market needs is a poor strategy.

**Labor Requirements and Automated Processes:-**

A service firm recruits people with specific knowledge and skills in the service disciplines that it offers. Service delivery is labor intensive and cannot be easily automated, although knowledge management systems enable a degree of knowledge capture and sharing. Manufacturers can automate many of their production processes to reduce their labor requirements, although some manufacturing organizations are labor intensive, particularly in countries where labor costs are low.

**Physical Production Location:-**

Service firms do not require a physical production site. The people creating and delivering the service can be located anywhere. For example, global firms such as consultants Deloitte use communication networks to access the most appropriate service skills and knowledge from offices around the world.

Manufacturers must have a physical location for their production and stock holding operations. Production does not necessarily take place on the manufacturer's own site; it can take place at any point in the supply chain

c)The balance sheet is divided into two sides (or sections). The left side of the balance sheet outlines all of a company’s [assets](https://corporatefinanceinstitute.com/resources/knowledge/accounting/types-of-assets/). On the right side, the balance sheet outlines the company’s [liabilities](https://corporatefinanceinstitute.com/resources/knowledge/accounting/types-of-liabilities/) and [shareholders’ equity](https://corporatefinanceinstitute.com/resources/knowledge/accounting/stockholders-equity-guide/). The assets and liabilities are separated into two categories: current asset/liabilities and non-current (long-term) assets/liabilities. More liquid accounts, such as Inventory, Cash, and Trades Payables, are placed in the current section before illiquid accounts (or non-current) such as Plant, Property, and Equipment (PP&E) and Long-Term Debt.