* Financial statements of any company (investor ratios, what they look out for)
* Financial statements are written records that convey the business activities and the financial performance of an entity.
* The balance sheet provides an overview of assets, liabilities, and shareholders' equity as a snapshot in time.
* The income statement primarily focuses on a company’s revenues and expenses during a particular period. Once expenses are subtracted from revenues, the statement produces a company's profit figure called net income.
* The cash flow statement (CFS) measures how well a company generates cash to pay its debt obligations, fund its operating expenses, and fund investments.
* The statement of changes in equity records how profits are retained within a company for future growth or distributed to external parties.
* Investors and financial analysts rely on financial data to analyze the performance of a company and make predictions about the future direction of the company's stock price. One of the most important resources of reliable and audited financial data is the [annual report](https://www.investopedia.com/articles/basics/10/efficiently-read-annual-report.asp), which contains the firm's financial statements.
* The [financial statements](https://www.investopedia.com/ask/answers/06/compiledandcertifiedfinancialstatements.asp) are used by investors, market analysts, and creditors to evaluate a company's financial health and earnings potential. The three major financial statement reports are the balance sheet, income statement, and statement of cash flows.
* To determine your bonding capacity, bonding companies compare your current assets to your current liabilities, take the difference and typically bond you 10 to 20 times that amount, depending on your experience and the type of contract. Current assets include cash, accounts receivable, prepaid assets, inventory, loans receivable and under billings.
* Bonding companies and banks look at your net worth compared to your debt (any money you owe as a liability on your financial statement). When debt-to-equity ratios start getting above three dollars of debt per dollar of equity, the bonding company will begin having more questions and scrutiny.
* key investment ratios play a crucial role in helping investors make informed investment decisions. By providing valuable insights into a company's financial health, ratios such as the P/E Ratio, Earnings per Share, Quick Ratio, Debt to Equity, and Return on Equity allow investors to quickly assess a company's profitability, liquidity, and financial stability. Investment managers will certainly consider these ratios but will dive deeper into the financials of individual companies before making the decision to invest. Investment ratios, however, can rarely tell the full story: when performing due diligence on an investment manager, it is also important to understand a manager’s investment process.
* What are the fundamentals of any company
* For businesses, information such as profitability, [revenue](https://www.investopedia.com/terms/r/revenue.asp), assets, [liabilities](https://www.investopedia.com/terms/l/liability.asp), and growth potential are considered fundamentals. Through the use of fundamental analysis, you may calculate a company's [financial ratios](https://www.investopedia.com/financial-ratios-4689817) to determine the feasibility of the investment.

**How Stock Fundamentals Work**

* Cash flow.
* Return on assets.
* Conservative gearing.
* History of profit retention for funding future growth.
* The soundness of capital management for the maximization of shareholder earnings and returns.