

A **company** is a group of people endeavoring the advancement of a commercial or industrial purpose, that is, they are working together to create something of value that can be sold, you guessed it, for money!

Companies can be public or private. Portions of **public companies** can be purchased by the public on an exchange; whereas **private companies** are owned by individuals or groups of private investors. Both public and private companies are regulated by different departments of government according to their industry, type, and scale.

Finance is the process of managing money within a company. In the context of this course, finance pertains to the decision-making process a company uses to determine what it needs to buy (or invest in), what method/s it should use to fund said investments, and how to manage that money (and other assets) after it has acquired them.

Now that you understand some basic finance terms, it's time to examine how companies keep track of and report on their finances with **financial statements**.