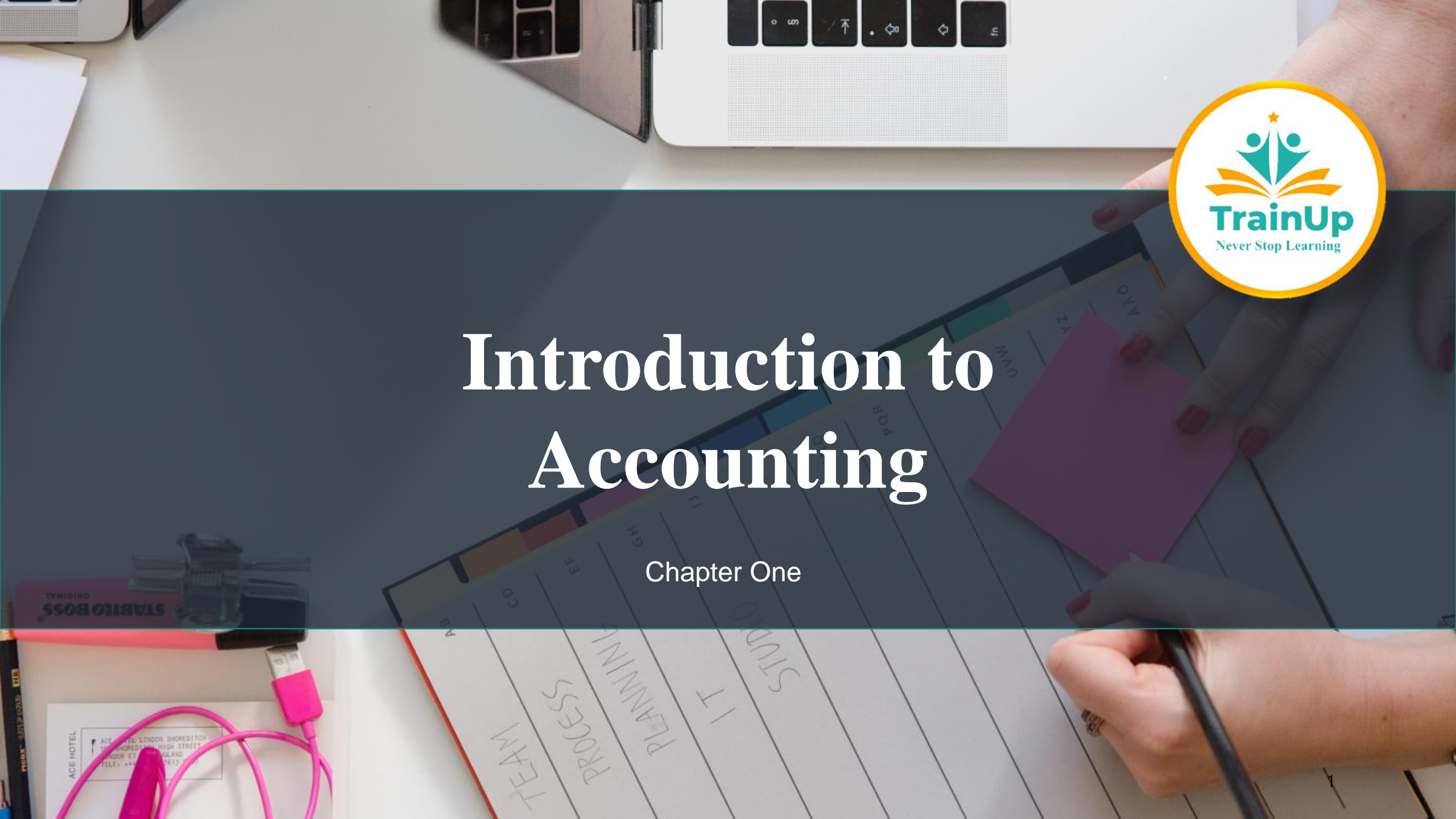




# Introduction to Accounting

Chapter One



# Contents

**1**

**Session 6**

**2**

**Financial Statements**

# Session 6

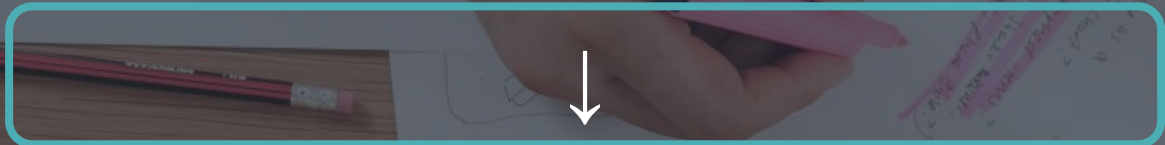


# Session 6

## Financial statements

- Income Statement
- Balance Sheet Statement
- Statement of Owner's Equity
- Cash Flow Statement

# Financial statements



# Financial statements

## 1. Income statement

Presents the **revenues and expenses** and resulting **net income** or **net loss** for a specific period of time.

Revenues.....	xxx
<b>Less: CGS.....</b>	<b>(xxx)</b>
Gross income.....	xxx
<b>less: operating expense.....</b>	<b>(xxx)</b>
<b>Net income.....</b>	<b><u>xxx</u></b>

# Financial statements

## 2. Owner's equity statement

Summarizes the changes in owner's equity for a specific period of time.

**Beg owner's equity.....xxx**

**Add:** Net income.....xx

    additional inv't.....xx

**Less:** Net loss.....(xx)

    owner's Drawing.....(xx)

**Owner's equity at the end of period.....xxx**

## Financial statements

3. **Statement of Financial position (Balance Sheet)** reports the **assets, liabilities, and owner's equity** at a specific date.

### Asset's:

Non-current assets.....xx

Current assets.....xx

**Total assets.....xxxx**

### Equity & Liabilities

- Equity
  - **Total equity.....xxx**
- Non – current liability
- Current liability
  - **Total liabilities.....xxx**

**Total equity & Liabilities.....xxxx**

# Financial statements

### 4. A statement of cash flows

Summarizes information about the **cash inflows (receipts) and outflows (payments) for a specific period of time.**

These statements provide relevant financial data for internal and external users.

## Chapter 1. Introduction

# Financial statements

### Cash flow from **Operating** activities:

- + cash revenue
- Cash expense

### Cash flow from **Financing** activities:

- + cash investment
- cash withdraw

### Cash flow from **Investing** activities:

- + Selling of Fixed Asset
- Purchase of Fixed Asset

**Cash at the end of the period.....XXXX**



# Financial statements

The **cash balance** at the end of the period should be equal to the cash amount in the balance sheet (Statement of Financial Position).

