

**Learn How to Read and Understand
Financial Statements**

Balance Sheet

Income Statement

Cash Flow Statement



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THE BASICS OF FINANCE

Learn How to Read and Understand Financial Statements

Balance Sheet ♦ Income Statement ♦ Cash Flow Statement

The data contained within the income statement, balance sheet and cash flow statement can provide business owners, managers and executives with key information for sound economic decision making. Therefore it is vital that business managers understand how to read and interpret these reports.

This seminar will provide:

- Jargon-free description of each account comprising the income statement, balance sheet and cash flow statement.
- An understanding of the interconnected relationship between the various accounts on each statement.
- The ability to understand and analyze the income statement, balance sheet and cash flow statement to monitor business performance.

Seminar Agenda:

I. Overview

- Financial versus Managerial Accounting
- Accounting Standards-GAAP
- Four Financial Statements (list)
- Financial Analysis-Purpose of

II. Basic Accounting Terminology

- Cash vs. Accrual
- Historical vs. Pro Forma
- Forecast vs. Projection
- Comparative Statements

III. Understanding the Four Basic Financial Statements

Income Statement

- Revenue
- Cost Of Goods Sold
- Gross Profit
- Operating Expenses
- Other Income and Expense
- Interest Income
- Interest Expense
- Depreciation
- Net Income
- EBIT and EBITDA

Balance Sheet

- Current Assets
- Property And Equipment
- Other Assets
- Current Liabilities
- Long Term Liabilities
- Owner's/Shareholder's Equity

Cash Flow Statement

- Types Of Cash Flows
- Analyzing Cash Flow

Owner's Equity Statement

- Types Of Equity
- Retained Earnings

III. The relationships between the financial statements

Balance sheet-Income Statement

Sales Cycle

Expense Cycle

Investment Cycle

Fixed asset Cycle