Accounting & Financial Statements



What is accounting? **Look at this link** to learn more. Why is it good to have accounting knowledge if we don't plan to go into a related field? We'll **look at this video** for some good reasons. The video leads nicely into our personal finance section. We will talk about the following financial statements using **this infographic** and **this link to your book**:

- Income Statement
- The Balance Sheet
    - Helps show financial health in assets vs liabilities
    - Total vs Current
- The Statement of Cash Flows
- Statement of Retained Earnings—also called Statement of Owner's Equity

Click on this link to learn about annual reports and requirements. **Here is a list** of the USA's largest publicly traded companies. We'll also look at how to find financial statements for a company (Microsoft and Chipotle). Know that people who analyze this information would not just look at one or two pieces of data like we are (eg. ratio analysis).

Look for ‘net income’ or ‘net earnings’ or ‘earnings’ or ‘income statement’ or ‘balance sheet’ or ‘total assets’ or ‘total liabilities’ or ‘current assets’ or ‘current liabilities’ (current assets & current liabilities are within a year). Their annual report might also be called a 10-K report. Look for sections about SEC annual filings.

The Challenge - 10 pts

This is a **solo** mission. No copying and pasting; I will know. Choose a company (other than the example) and find the financial statements listed above. Using the financial statements, write **at least** one paragraph on how the company is performing financially. Make sure to include examples or information from the financial statements to **explain or defend** your answer. Send this to me on Classroom when completed.

Company Name:

Link to Financial Statements:

Paragraph on Company Performance:

ADD CURRENT RATIO
https://www.myaccountingcourse.com/financial-ratios/current-ratio
https://www.investopedia.com/terms/c/currentratio.asp

CHANGE
- don’t just Google company and financial statement, go to site
- break down into smaller parts
.. find two years of net income, what does this tell you
.. calculate current ratio, what does this tell you
.. based on this info how is the company performing