

Full Financial Accounting Course

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Notes on Accounting from Tony Dell's YouTube video

Financial accounting is all about language they call accounting the language of business. if you want to have a prayer to survive your accounting class, you 're going to need to understand these six words that we're going to introduce in this video. the six words are key to your life as an accountant well they 'll all be key but those three particularly will be key. financial accounting expert says most of the time it 's just own stuff you own that 's good to own. 99 of the times that's a sufficient understanding of what an asset is. cell phones, textbooks and cars are all things of value and absolutely. These types of assets find their way onto company financial statements. When a company lists its assets it would list any cell phones. cash is something you should want to own and own more of there 's something. called accounts music receivable. inventory is inventory If you walk into a walmart or a retail store near you look around right all the stuff. You see that they 've bought from their supplies.. that is inventory and that is assets right that 's stuff they own that are good for them to own.

Accounts payable is a common liability that you 'll see on a balance sheet and it just means within 30 days. You 've got to pay it back. other types of liabilities well. All sorts of we 'll call them notes payable. equity comes in when I ask about shareholders equity. Not every many people have a good definition of shareholders equity because it 's defined by what it 's not. equity is the concept of what 's left over if I sold off all the assets. I paid off all my debts. What goes in the shareholders pockets that is their equity. for my home. We would call it home equity for a company I 've abbreviated here as se and se stands for shareholders equity and so my shareholders equity is a hundred thousand dollars. there 's retained earnings is an account that keeps track of how much profit. is being kept in the company versus and again the alternative is pay it out as a dividend.. revenues are what happens when the company does what it does to earn money.. dividends are shareholders pulling profits from the company taking it from company's retained earnings..

You need to understand these six terms asset things of value things the company can own or control that are good to owner control liabilities that is owed that is a company 's obligation They 've got to pay something back in the future shareholders equity. If I take all the assets I sell off of the liab. I sell them all off for cash and I pay off all my debts. How much money goes into the shareholder 's pocket what 's the shareholders piece of the pie that is their equity revenues of the company. expenses are the costs of earning that money