

FINANCIAL STATEMENTS

Accounting Period - the period at the end of which financial statements are prepared. The accounting period usually covers one year because it jibes with the payment of the annual income taxes.

Calendar Year - a 12 month period ending December 31

Fiscal Year - 12 month period not ending December 31

Natural Business Year - a 12 month period which ends at the time of business activity.

Financial Statements - are accounting reports prepared at the end of an accounting that provide financial information regarding the transactions that have been recorded and summarized. The principal financial statements which are the end products of accounting are the.

Statement of Comprehensive Income - also called the income statement, is a statement, which shows the revenue and expenses for a specified period of time. It shows the results of operations.

Statement of Changes In Equity - is a statement, which shows the assets, liabilities and owner's equity of the business as of specific date. It shows the financial condition of the business.

Statement of the Cash Flows - is a summary of cash inflows and cash of flows for a specific period of time, such as a month or a year.