

# [Common financial information by allbusiness editors](https://assignbuster.com/common-financial-information-by-allbusiness-editors/)

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Website link: http www. allbusiness. com/accounting-reporting/reports ments/1259 html Common Financial Reports Throughout the fiscal year accountants record, organize and keep track of all transactions of a company. At the end of the fiscal year, which is also known as the accounting cycle, accountants use this information to prepare the financial statements. There are four common financial statements:

1. Income Statement:
Income Statement basically lists and categorizes all expenses and revenue incurred by the firm during the accounting cycle. It starts from Sales or revenue generated, in case of service organizations; then subtracts all expenses and losses from sales and adds up all revenue and income. The difference is net income and net loss.

2. Statement of Capital:
This statement shows changes in owner's capital account during the accounting cycle. The capital account shows how much does the owner owns; owner can reinvest in the business which is added in capital account, s/he can withdraw capital which is also termed as drawings and is subtracted from the capital account.

3. Balance Sheet:
Balance Sheet shows how much your company own, owe and your company's equity. Balance Sheet is based on equation: Assets = Liabilities + Equity. Balance Sheet provides a snapshot of the company at a specific time, usually end of accounting cycle and this is also known as statement of financial conditions.

4. Statement of Cash Flow:
It list down all cash inflow (money coming in the company) and all cash outflow (money going out of the company) by categorizing them into revenues, long-term financing, sales of non-current assets, increase in current liability account and decrease in current assets account.

Reference
Common Financial Reports. Retrieved May 20, 2009, from All Business Web site: http://www. allbusiness. com/accounting-reporting/reports-statements/1259-1. html