

The Financial Statements

Pratt, Financial Accounting 7e, Chapter 2

Business Activities:

- Operating Activities
- Investing Activities
- Financing Activities

Classified Balance Sheet (Statement of Financial Position)

- Assets
 - Current Assets (listed in order of decreasing liquidity)
 - Cash
 - Short-term Investments
 - Accounts Receivable
 - Inventory
 - Prepaid Expenses
 - Long-Term Investments
 - Property, Plant and Equipment
 - Land
 - Plant and Equipment (net)
 - Intangible Assets

- Liabilities
 - Current Liabilities
 - Accounts Payable
 - Accrued Expenses
 - Deferred Revenues
 - Current Maturities of Long-Term Debt

 - Long-Term Liabilities
 - Notes Payable
 - Bonds Payable
 - Mortgages Payable

- Stockholders' Equity
 - Contributed Capital
 - Common Stock
 - Preferred Stock

 - Retained Earnings

Income Statement

- Operating Revenues
 - Sales
 - Services

- Operating Expenses
 - Cost of Goods Sold
 - Selling, General and Administrative Expenses

- Other Revenues and Expenses
 - Interest Revenue and Expense
 - Income Tax Expense

Statement of Stockholders' Equity

Statement of Cash Flows

- Cash flows from Operating Activities
- Cash flows from Investing Activities
- Cash flows from Financing Activities

Balance Sheet
12/31/01

Cash

Stockholders'
Equity

Statement of Cash Flows
For the Year Ended 12/31/02

Income Statement
For the Year Ended 12/31/02

Statement of Stockholders'
Equity
For the Year Ended 12/31/02

Balance Sheet
12/31/02

Cash

Stockholders'
Equity

Financial Statements in Other Countries

- Different Statements
- Different Formats
- Different Measures and Methods