



# Business Finance Terms 101



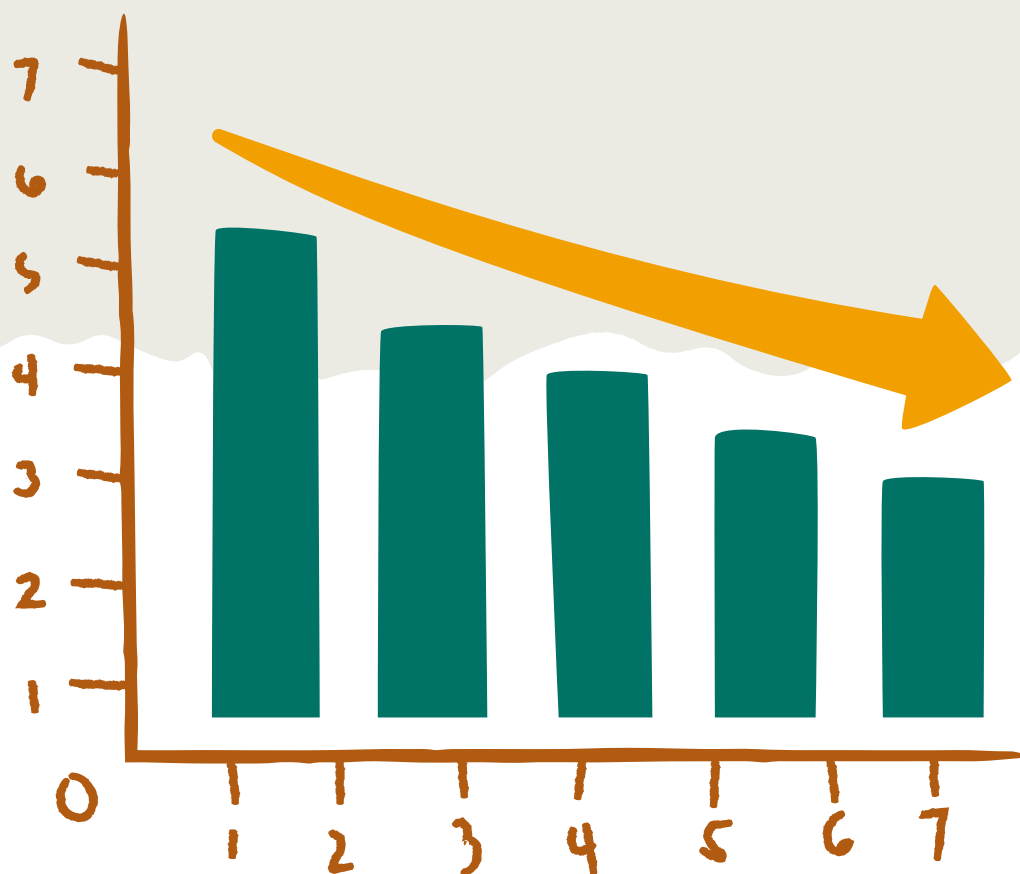
# Asset

An asset is **anything that has economic value.**

This includes cash, inventory, equipment, property, and investments.

# Bear and Bull

A bear is an investor who expects company shares or an overall market **to go down** in value. Meanwhile, a bull is an investor who expects them **to increase** in value.





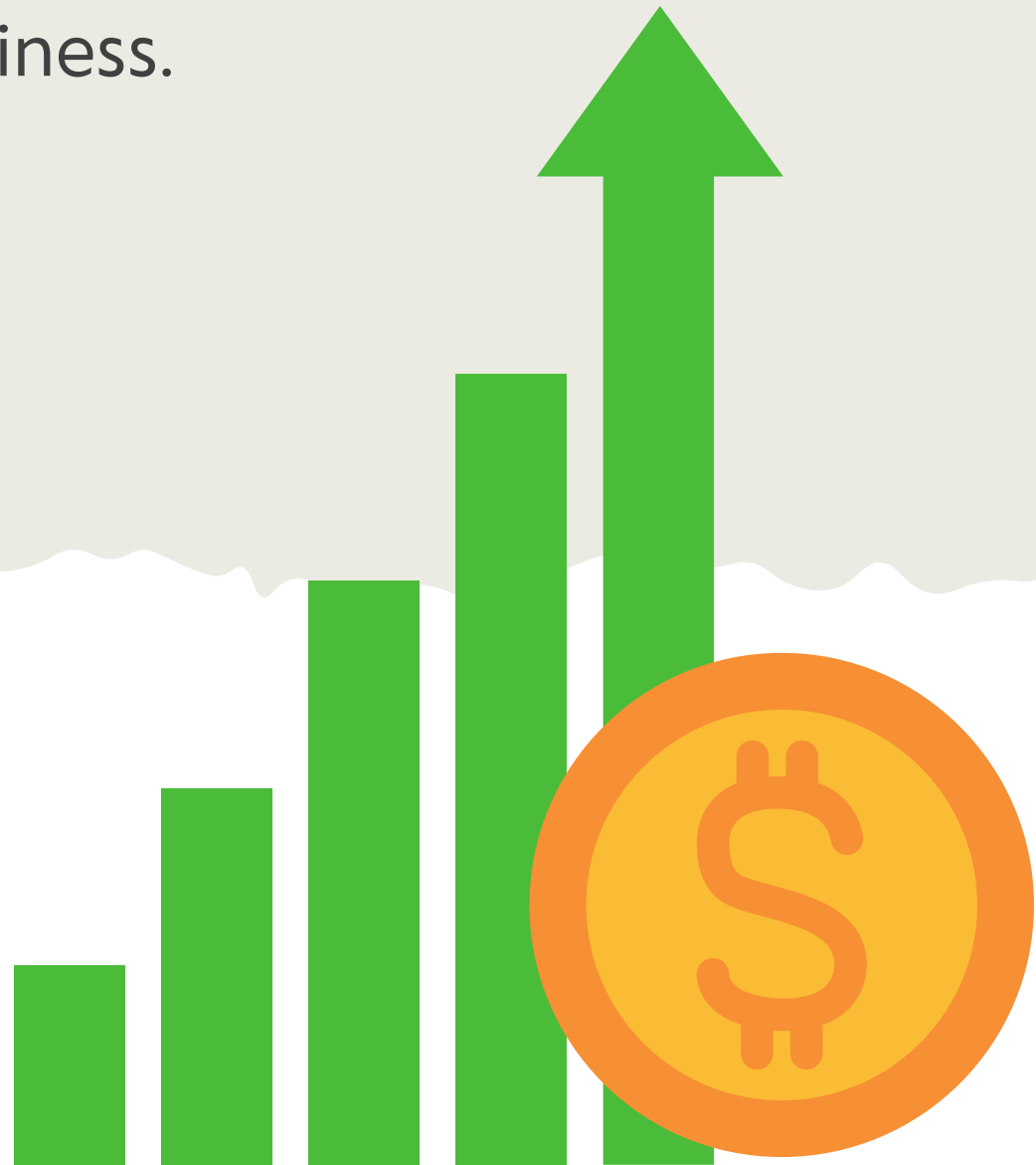
# Liabilities

Liabilities are the **financial obligations or debts** of a business. It includes loans, accounts payable, and other amounts owed to suppliers or creditors.

# Net Profit



Net profit, also known as the **bottom line**, is the amount of money left after subtracting all expenses from revenue. It reflects the overall profitability of a business.





# Revenue

Revenue refers to the **total income generated by a business** from its operations. It includes sales, fees, royalties, and any other income streams.

Understanding revenue is key to assessing a company's financial performance.

# Expenses

Expenses are the costs incurred by a business to generate revenue and maintain its operations. This includes salaries, rent, utilities, inventory, and more. Knowing how to manage expenses effectively is vital for financial stability.





# Equity

Equity represents the ownership interest in a business. It's calculated as assets minus liabilities. Building equity is a **long-term goal** that increases the value of your company.



# Cash Flow

Cash flow refers to the movement of money in and out of a business. Positive cash flow means more money is coming in than going out. It's crucial for maintaining liquidity.





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