

Chapter 12 Financial Management

12-1 Financial Planning

Ongoing Operations

All income that a business receives over a period of time is called _____.

_____ are the costs of operating a business.

Revenue – Expenses = _____

Revenue is greater than expenses, the business will make a _____

If expenses exceed revenue, the business will suffer a _____

Developing a Business Budget

A _____ provides detailed plans for the financial needs of individuals, families, and businesses.

A business budget has 2 main purposes:

1)

2)

Types of Budgets

The _____ plans income and expenses from the beginning of a new business or a major business expansion until it becomes profitable.

The _____ describes the financial plan for ongoing operations of the business for a specific period. This budget is usually planned for _____, _____, or a year.

A _____ is an estimate of the actual money received and paid out for a specific period.

12-2 Financial Records and Financial Statements

Financial Records

_____ are what a company owns.

_____ are what a company owes.

_____ is the value of the owner's investment in the business.

The assets, liabilities, and owner's equity for a specific date are listed on the _____.

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To report the revenue, expenses, and net income or loss from operations for a specific period, a business prepares an _____.