

The Three Statements

Business & Management

What each statement shows, and how they connect.

Each answers a different question about the same business.

Statement	Answers	Period
Income statement	Was it profitable?	Over a period
Balance sheet	What does it own and owe?	At a point in time
Cash flow statement	Where did the cash go?	Over a period

They link: net income flows into retained earnings on the balance sheet, and starts the cash flow statement.