

GLOSSARY

Finance Foundations

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Use these terms and definitions below to understand concepts taught in the course.

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Term	Definition
balance sheet	A listing of a company's assets and its obligations
cost of capital	The cost of obtaining external financing
finance	Identifying what things are needed, how to get the money to buy those things, and how to manage those things efficiently once I have them
financial statements	Reports that provide the raw data people use in making financial decisions
internal controls	The systems in place inside a company to make sure that the company does what it is supposed to do
risk	Uncertainty about what will happen in the future