

# GLOSSARY



## Financial Accounting Foundations

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

**Transcript Search:** note that you can search for terms directly within the course. To search video text, switch to the *Transcripts* tab, then press Cmd/Ctrl + F on your keyboard to run a search within the active transcript.

Term	Definition
accounting equation	Assets equal liabilities plus equity
balance sheet	A list of a company's assets paired with a list of the financing sources to buy those assets
cost of goods sold	The amount it costs a company to produce the goods sold by that company; also called cost of sales
equity	The amount of financing provided by the owners of a company
income statement	A statement of a company's reported revenues and expenses
liability	An obligation to pay back an amount borrowed
statement of cash flows	A report of the amount of cash collected and cash paid, sorted into operating, investing, and financing activities