# 2. Financial Statements – Statement of Financial Position (Balance Sheet) and Income Statement

**Exercise 1**

Name the three key financial statements and briefly describe each.

**Exercise 2**

Analyse a sample balance sheet and income statement of a company. What conclusions can be drawn about the financial situation?

**Exercise 3**

A company reported the following data for the year:

* Assets: $1,200,000
* Liabilities: $500,000

Calculate the company's equity.

**Exercise 4**

Company XYZ started operations with an initial investment of $1,000,000. During the first year, it had revenue of $600,000 and expenses of $400,000. What is the net income, and how does equity change?

**Exercise 5**

A company reported the following data for the year:

* Assets: $1,200,000
* Liabilities: $500,000

Calculate the company's equity.

**Exercise 6**

Company XYZ started operations with an initial investment of $1,000,000. During the first year, it had revenue of $600,000 and expenses of $400,000. What is the net income, and how does equity change?

**Exercise 7**

A company had revenue of $3,000,000 and expenses of $2,200,000 in 2023. Calculate the net profit.

**Exercise 8**

A company has the following financial data:

* Assets: $2,500,000
* Liabilities: $1,500,000

What is the equity?