

Income Statement

The income statement, also commonly referred to as the profit and loss statement, is a financial statement that expresses how a company's net revenues are before taxes and expenses are deducted, and the net profits realized after the deductions have been applied. The primary function of the Income Statement is to provide investors and business managers an outlook of the companies financial condition for the period.

Below are several areas of the statement that cover various transaction types in the business model:

- Operating Section
 - Earnings Per Share
 - Net Revenue
 - Assets
 - Liabilities
 - Expenses
 - C.O.G.- Cost of Goods
 - General and Administrative
 - Selling
 - Research and Development
 - Deprecation
- Non-Operating Section
 - Other Revenues / Gains
 - Rents
 - Patents
 - Securities
 - Fixed assets
 - Other Expenses or Losses
- Irregular items
 - Discontinued operations
 - Extraordinary items

The report may shows exactly how much revenue id being earned by the company for a period. Usually the report is generated once a year and breaks down into quarterly sections as to monitor the financial actions more precisely.

As above, the statement will show to a varying degree of accuracy, the costs and expenses that are associated with the earnings. The financial statements are the primary documents that reveal a companies "bottom line" and displays the financial health of the business.