

PROFITABILITY
 The profitability of a business is measured by its net income, which is the total revenue minus all expenses. A profitable business generates more revenue than it spends on operating costs, resulting in a positive net income. Profitability is a key indicator of a business's financial health and its ability to sustain and grow over time.

LIQUIDITY
 Liquidity refers to a business's ability to meet its short-term obligations and pay its bills. It is determined by the amount of cash and cash equivalents available. A business with high liquidity can easily cover its immediate needs, while a business with low liquidity may face difficulties in meeting its financial commitments.

Item	Value	Category
Revenue	1000	Income
Cost of Goods Sold	300	Expense
Operating Expenses	200	Expense
Interest Expense	50	Expense
Income Tax Expense	40	Expense
Net Income	210	Income
Accounts Receivable	150	Asset
Inventory	100	Asset
Prepaid Expenses	50	Asset
Accounts Payable	80	Liability
Long-Term Debt	200	Liability
Equity	180	Equity



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