



AskAnyDifference.com

We help you with differences and comparisons of terms, products, and services.

## **Difference Between the Balance Sheet and Cash Flow Statement**

1. Balance Sheet reveals the financial status of an organization or individual over a year whereas Cash Flow Statement reveals the cash inflow and outflow over three months or so.
2. The former is a weapon to judge an organization's performance over the long-term and the latter over the short-term.
3. Balance Sheet is also called as Statement of Financial Position. The Cash Flow Statement is called as Statement of Cash Flows and was previously called as Flow of Funds Statements.
4. Few Standards followed for the former are Generally Accepted Accounting Principle(GAAP), Federal Accounting Standards Advisory Board(FASAB), etc whereas the latter follows International Accounting Standard 7(IAS 7).
5. Balance Sheet terms it's income as Assets and it's termed as a Cash inflow in Cash Flow Statement.
6. Liabilities is the name given to the expenses in the Balance sheet whereas Cash outflow in Cash Flow Statement.



## AskAnyDifference.com

We help you with differences and comparisons of terms, products, and services.

7. The former uses the formula [Assets – (Liabilities + Shareholders Equity)] whereas the latter uses the formula [Cash inflow – Cash Outflow] for their calculation.
  
8. Balance Sheets considers the money resulting from assets & Liabilities whereas Cash Flow Statement considers the money from operations, investments, and other financial activities.
  
9. Long-term investors who wish to avoid losses over a few years generally use the Balance sheet to evaluate a company's performance during the past years. Short-term investors who generate money by buying and selling, frequently use Cash Flow statements to come to know the current performance of a company.

Source and more details: <https://askanydifference.com/difference-between-balance-sheet-and-cash-flow-statement/>