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Hello class and professor!

1. Describe the difference between profit and cash.

Profit is the amount of money left over after all of the expenses have been paid and taken into account. Cash refers to the net cash flow that comes in and out of an organization.

2. What are the differences between cash from operating activities, cash from investing activities, and cash from financing activities?

Cash from operating activities refers to tracing money from the sales of a companies goods and services. You start with your net profit and eliminate everything that does not represent cash. An example of doing so would be to subtract depreciation of an asset.

Cash from investing refers to investments such as the purchase of land or the sale of land, purchase or sale of equipment

Cash from financing activities refers to borrowing or lending cash such as loans from the bank or the organization providing loans to the others. Investing can also be the retirement of bonds or the long term investing of stocks.