1.3 Business Activities

Objective
- Overview of the three main business activities
  - Financing Activities
  - Investing Activities
  - Operating Activities

Business Activities
- Business activities are categorized as follows:
  - Financing Activities
  - Investing Activities
  - Operating Activities

Financing Activities
- Definition
  - Business transactions where cash is obtained or repaid to owners and creditors
- Types of Financing Activities
  - Borrowing money from a lender (bank)
  - Repaying a loan
  - Receiving investments from owners in exchange for stock
  - Re purchasing stocks or bonds from investors
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Investing Activities

- **Definition**
  - Business transactions associated with buying and selling of long-term assets used in the day to day business of the entity
- **Types of Investing Activities**
  - Selling buildings
  - Selling equipment
  - Purchasing new equipment
  - Purchasing patents or copyrights

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Operating Activities

- **Definition**
  - Business transactions associated with the day to day business of a company
- **Types of Operating Activities**
  - Paying employees
  - Purchasing raw materials or merchandise for resale
  - Selling goods or services to customers
  - Paying taxes