**10 Types of Assets**

The first step in analyzing a balance sheet is seeing if the assets make sense, given the nature of the business.

The more popular asset accounts include:

*Cash and Cash Equivalents:* Cash includes U.S. and foreign currency as well as checking and savings accounts (demand deposits). Cash equivalents include low-risk short-term investments such as money market accounts, and overnight or seven-day investments.

*Marketable Securities:* Short-term investments in securities that can be readily bought and sold on exchanges such as the New York Stock Exchange.

*Accounts Receivable:* Money due from customers. For simplicity, many businesses allow customers to buy goods or services now, then pay later.

*Notes Receivable:* A written promise that a company will receive a specific amount of money from a customer or borrower at a future date.

*Inventory:* Goods that are, or will be, available for sale. A retailer’s inventory is typically finished goods, while a manufacturer’s will have significant amounts of in-process or raw materials.

*Property, Plant, and Equipment (PPE):* Land, buildings (including manufacturing plants), and equipment such as trucks, furniture and computers.

*Accumulated Depreciation:* The amount of depreciation since assets were first purchased and the plant and equipment have worn out.

*Equity Method Investments:* Ownership of enough shares of another company (20 to 25%) to influence that company’s business decisions.

*Intangible Assets:* Copyrights, patents, customer lists, trademarks, etc. that are purchased, not generated by the business itself.

*Goodwill:* The value of non-physical assets such as a company’s brand name, trained employees, reputation and loyal customer base.