

Financial Math

COMMON TERMS

Budget

Spending plan which is based on income and expenses in order to meet financial obligations.

Debit

The amount of money that flows into a particular account.

Credit

A record of all of the money that flows out of a particular account.

Income

Money that is received by a person or business through investments, employment, or business transactions.

Principal

The amount of debt, exclusive of interest, that is remaining on a loan.

Asset

A particular resource that holds value. This may be intangible, tangible, owned or controlled.