

## Financial Intelligence: A Manager's Guide to Knowing What the Numbers Really Mean by Karen Berman and Joe Knight

Balance Sheet, revenue growth, accounts payable, depreciation...

The mere site of these words can send some into hiding. The truth is that financial intelligence is a vital skill in the business world. Even if you aren't a 'number cruncher', understanding the concepts behind the balance sheet, income statement, and the cash flow will aide you in your career.

In *Financial Intelligence: A Managers Guide to Knowing What the Numbers Really Mean* by Karen Berman and Joe Knight, you are presented an easy to read 'guide' to get you feeling comfortable with financial concepts. The authors take the explanations a step further and break down the concepts, providing examples where the numbers come from and some key areas where accounting assumptions and bias may reside.

Karen and Joe own the Business Literacy Institute, a company which coaches and educates employees "to think and act in the best financial interest of your organization".

After reading this book you will be able to pick up a balance sheet and understand the various subcategories of assets and liabilities, and why they always equal owner's equity. That esoteric equation:  $Assets - Liabilities = Owners Equity$  will finally make sense!

Although this books audience leans towards managers, I found that this book would also be useful to the everyday stock investor who wants to understand the fundamentals of financial concepts. When researching companies to invest in, it's imperative that you can read and understand all the financial statements to determine whether the company is a worthy investment. This book can be your learning guide if you want to improve those skills; a skill which the average investor lacks.

Check out an excerpt at Harvard Business School Working Knowledge.

This review from BizBookTalk.com



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