

Retained Earnings (Finance)

@wikipedia

Business earnings after deducting the Dividends from Net Income:

$$\text{Retained Earnings} = \text{Net Income} - \text{Dividends}$$

If Retained Earnings are not fully expensed during the Accounting Period then they are accrued in the records:

$$\text{Closing Retained Earnings} = \text{Opening Retained Earnings} + \text{Net Income} - \text{Dividends}$$

See also

[Business](#) / [Business Administration](#) / [Financial Management](#) / [Financial Accounting](#) / [Profit and Loss \(P&L\)](#)