Foreign Equity Is Good or Bad

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Vocabulary

Skeptical: doubting that something is true or useful.

Ample: more than enough.

Diversification: the process of a company varying its investments.

Downturn: a reduction in the amount or success of something, such as a country's economic activity.

Assets: something that is owned by a person, company, or organization, such as money, property, or land.

Liabilities: the amount of money that a person or organization owes.

To spread the risk: to reduce the chance of losing money through a diversification of investments.

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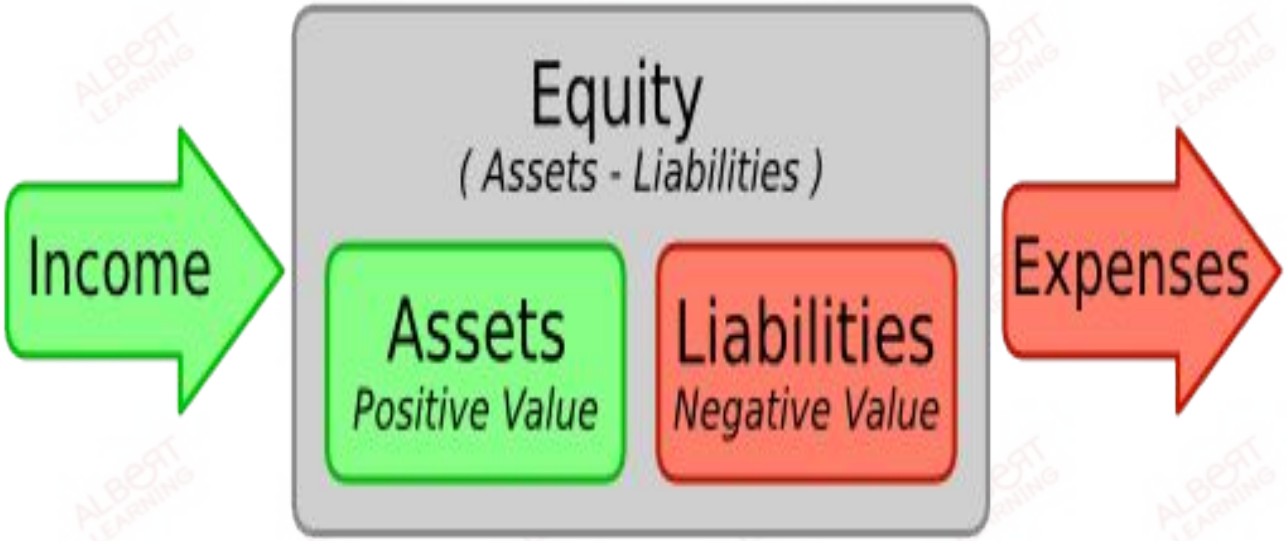
Introduction

Equity = Assets - Liabilities

Equity is basically the difference between the value of the **assets** and the value of the **liabilities**.



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