Problem:

Corporate deficits and debt are frequently in the news, but the terms are often confused with each other. To take an example, suppose a company finishes a fiscal year owing $5000. That is their **debt**. Suppose that in the following year the company has revenues of $106,000 and expenses of $109,000. The company’s deficit for the year is $3000, and the company’s debt has increased to $8000. Briefly explain why deficit can be thought of as the derivative of debt.

http://financial4math.weebly.com/