

E 5-15

### Operating Activities

Net Profit 34,000

Dep<sup>n</sup> 6,000

Δ in non cash w/c

AR (3,000)

AP 5,000

Cash from operations 42,000

### Investing Activities

Purchase of equip (17,000)

### Financing Activities

Dividends paid (13,000)

Issue of shares 20,000

7,000

Change in cash 32,000

Cash BOY 13,000

Cash EOP 45,000

ES-16

Indirect

Net Profit	148,000
Gain on equip	(25,000)
Dep <sup>n</sup>	70,000
Δ in non cash w/c	
AR	10,000
Prepd Insurance	(3,000)
AP	(11,000)
Int Pay	1,250
Taxes Pay	3,500
Unearned revenue	(4,000)
Cash from operations	<u>189,750</u>

5-16

Direct

$$\begin{array}{r} \text{Cash} \\ \text{Collected} \end{array} \left( \begin{array}{r} 545,000 + 60,000 \\ - 50,000 + 10,000 \\ - 14,000 \end{array} \right) \quad 551,000$$

$$\begin{array}{r} \text{Operating Exp} \\ \text{Dep} \end{array} \left( \begin{array}{r} 370,000 + 8,000 \\ - 5,000 - 30,000 + (314,000) \\ 41,000 - 70,000 \end{array} \right) \quad \leftarrow \text{Dep}^2$$

Gain ignored - cash

$$\text{Interest} \quad 10,000 - 2,000 + 750 \quad (8,750)$$

$$\text{Taxes} \quad 42,000 + 4,500 - 8,000 \quad (38,500)$$

$$\text{Cash from operations} \quad \underline{189,750}$$

