

E 5-15

Add	Info	P + L	Start
	Revenues		90,000
	Operating Exp		- 50,000
	Dep ⁿ		- 6,000
	Net Profit		<u>34,000</u>
			=

Direct Method

Operating Activities	
Cash Collected ($90,000 + 88,000 - 91,000$)	87,000
Cash Expended ($50,000 + 15,000 - 20,000$)	<u>(45,000)</u>
Cash from Operations	<u>42,000</u>
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Indirect

Operating Activities	
Net Profit	34,000
Non cash items on P+L	
Dep ⁿ	6,000
A's in non cash working capital	
AR	(3,000)
AP	<u>5,000</u>
Cash from operations	<u>42,000</u>
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Operating Activities (one of the above)	42,000
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Investing Activities

Purchase of Equipment	(17,000)
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Financing Activities

Payment of Dividends	(13,000)
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Issue of Shares	20,000
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	<u>7,000</u>
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Δ in Cash	32,000
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Cash BOY	<u>13,000</u>
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Cash E OY	45,000
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