Answers to Sample Problems
Accounting Statements and Cash Flows

1. Cash Flow from Operating Activities
   + Net Income $89
   + Depreciation 110
   + Decrease in Accounts receivable 16
   + Decrease in Inventory 52
   + Increase in Accounts payable 21
   Net cash flow from operating activities $288

2. Cash Flow from Operating Activities
   + Net Income $4003
   + Depreciation 650
   - Increase in Accounts receivable -454
   + Decrease in Inventory 154
   + Increase in Accounts payable 84
   + Increase in Accrued wages 179
   Net cash flow from operating activities $4,616

3. -$240
4. $174
5. $122,850

6. Cash Flow from Operating Activities
   + Net Income $231
   + Depreciation 90
   - Increase in Accounts receivable 90
   + Decrease in Inventory 60
   + Increase in Accounts payable 54
   + Increase in Accruals 36
   Net cash flow from operating activities $381