

Exercise E17-1

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Item	Description	(a) Operating	(b) Investing	(c) Financing	(d) Noncash
(a)	sold stock for cash			+	
(b)	pur mach with note				✓
(c)	issued stk for bonds				✓
(d)	paid cash dividend			-	
(e)	sold investment		+		
(f)	collected accts rec	+			
(g)	paid accts payable	-			

Exercise E17-4 – page 759

Villa Company Statement of Cash Flows For the Year Ended December 31, 2008

Operating Activities:

Net Income		\$ 195,000
Depreciation expense	\$ 45,000	
Decrease in accts rec	15,000	
Decrease in prepaid exp	4,000	
Increase in accts pay	17,000	
Loss on sale of equipment	<u>5,000</u>	<u>86,000</u>
Cash <i>provided</i> by operating activities		\$281,000

Exercise E17-5 – pages 759-760

Bellingham Inc. Statement of Cash Flows For the Year Ended December 31, 2008

Operating Activities:

Net Income		\$ 153,000
Depreciation expense	\$ 24,000	
Increase in accts rec	(21,000)	
Decrease in inventory	14,000	
Increase in prepaid exp	(5,000)	
Increase in acc exp pay	10,000	
Decrease in accts pay	<u>(7,000)</u>	<u>15,000</u>
Cash <i>provided</i> by operating activities		\$168,000

Exercise E17-5
pages 759-760
Bellingham Inc.
Comparative Balance Sheet
December 31

	<u>2008</u>	<u>2007</u>	Increase (Decrease)
Cash	\$105,000	\$ 99,000	\$ 6,000
Accounts Receivable	110,000	89,000	21,000
Inventory	158,000	172,000	(14,000)
Prepaid Expenses	<u>27,000</u>	<u>22,000</u>	<u>5,000</u>
Total Current Assets	<u>\$400,000</u>	<u>\$382,000</u>	<u>\$ 18,000</u>
Accrued Expenses Payable	\$ 15,000	\$ 5,000	\$ 10,000
Accounts Payable	<u>85,000</u>	<u>92,000</u>	<u>(7,000)</u>
Total Current Liabilities	<u>\$100,000</u>	<u>\$ 97,000</u>	<u>\$ 3,000</u>

Exercise E17-6
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Cesar Corp
Statement of Cash Flows

For the Year Ended December 31, 2008

Operating Activities:

Net Income		\$ 67,000
Depreciation expense	\$28,000	
Loss on sale of equipment	<u>5,000</u>	<u>33,000</u>
Cash <i>provided</i> by operating activities		\$100,000

Investing Activities:

Sale of equipment	\$ 14,000	
Purchase of equipment	(70,000)	
Construction of equipment	<u>(53,000)</u>	
Cash <i>used</i> for investing activities		(109,000)

Financing Activities:

Payment of cash dividends	<u>(14,000)</u>	
Cash <i>used</i> for financing activities		(14,000)

Exercise E17-8 – page 761
Taguchi Company
Comparative Balance Sheet
December 31, 2008

	<u>2008</u>	<u>2007</u>	Increase (Decrease)
Cash	\$ 73,000	\$ 22,000	\$ 51,000
Accounts Receivable	85,000	76,000	9,000
Inventories	170,000	189,000	(19,000)
Land	75,000	100,000	(25,000)
Equipment	260,000	200,000	60,000
Accumulated Depreciation	<u>(66,000)</u>	<u>(32,000)</u>	<u>(34,000)</u>
Totals	<u>\$597,000</u>	<u>\$555,000</u>	<u>\$ 42,000</u>
Accounts Payable	\$ 39,000	\$ 47,000	\$ (8,000)
Bonds Payable	150,000	200,000	(50,000)
Common Stock	216,000	174,000	42,000
Retained Earnings	<u>192,000</u>	<u>134,000</u>	<u>58,000</u>
Totals	<u>\$597,000</u>	<u>\$555,000</u>	<u>\$ 42,000</u>

Exercise E17-8

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Taguchi Company

Statement of Cash Flows

For the Year Ended December 31, 2008

Operating Activities:

Net Income		\$103,000
Depreciation expense	\$ 34,000	
Increase in accts rec	(9,000)	
Decrease in inventory	19,000	
Decrease in accts pay	(8,000)	<u>36,000</u>
Cash <i>provided</i> by operating activities		\$139,000

Investing Activities:

Sale of land	\$ 25,000	
Purchase of equipment	(60,000)	
Cash <i>used</i> for investing activities		(35,000)

Financing Activities:

Payment of cash div	\$(45,000)	
Redemption of bonds	(50,000)	
Issuance of common stock	<u>42,000</u>	
Cash <i>used</i> for financing activities		<u>(53,000)</u>

Net increase in cash	\$ 51,000
Cash at beginning of period	<u>22,000</u>
Cash at end of period	<u><u>\$ 73,000</u></u>

Exercise E17-2 – page 759

<u>Item</u>	<u>Description</u>	<u>(a) Operating</u>	<u>(b) Investing</u>	<u>(c) Financing</u>	<u>(d) Noncash</u>
(a)	pmt of int on note	—			
(b)	exch land for patent				✓
(c)	sale of bldg		+		
(d)	pmt of div			—	
(e)	depr	+			
(f)	recpt of div on stock	+			
(g)	recpt of int on note	+			
(h)	iss of cap stk			+	
(i)	amort of pat	+			
(j)	iss of bonds for land				✓
(k)	pur of land		—		
(l)	conv of bonds to CS				✓
(m)	loss on sale of land	+			
(n)	ret of bonds			—	

Brief Exercise BE17-4

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Martinez Inc.

Statement of Cash Flows

For the Year Ended December 31, 2008

Operating Activities:

Net Income		\$2,500,000
Depreciation expense	\$ 160,000	
Decrease in accts rec	350,000	
Decrease in accts pay	(280,000)	230,000
Cash <i>provided</i> by operating activities		\$2,730,000

Brief Exercise BE17-5

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Adcock Co.

Statement of Cash Flows

For the Year Ended December 31, 2008

Operating Activities:

Net Income		\$280,000
Depreciation expense	\$70,000	
Loss on sale of plant assets	12,000	82,000
Cash <i>provided</i> by operating activities		\$362,000

Brief Exercise BE17-1 – page 757

Item	Description	(a) Operating	(b) Investing	(c) Financing	(d) Noncash
(a)	issue bonds for cash			+	
(b)	purch eqpt w/cash		—		
(c)	sold land for cash		+		
(d)	paid cash dividend			—	

Brief Exercise BE17-2 – page 757

Item	Description	(a) Operating	(b) Investing	(c) Financing	(d) Noncash
(a)	purch of equipment		—		
(b)	sale of building		+		
(c)	redemption of bonds			—	
(d)	depreciation	+			
(e)	pmt of dividends			—	
(f)	issuance of cap stk			+	

Brief Exercise BE17-6
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Goltra Company
Statement of Cash Flows
For the Year Ended December 31, 2008

Operating Activities:

Net Income		\$200,000
Decrease in accts rec	\$ 80,000	
Increase in prepaid exp	(28,000)	
Increase in inventories	(30,000)	22,000
		\$222,000

Brief Exercise BE17-7
page 758

Sales Price (cash received)		\$???
Cost	\$22,000	
Less: Acc Depr	5,500	
Book Value		16,500
Loss on Disposal		<u>\$(5,500)</u>
Sales Price (cash rec'd) must have been		<u>\$ 11,000</u>

Brief Exercise BE17-3 – page 757

Financing Activities:

Issuance of bonds	\$300,000	
Payment of dividends	(50,000)	
Cash provided by financing activities		\$250,000