

Ex. 16–2

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|----------------------------|----------------------------|
| a. Cash receipt, \$198,000 | e. Cash payment, \$260,000 |
| b. Cash payment, \$280,000 | f. Cash payment, \$320,000 |
| c. Cash receipt, \$500,000 | g. Cash payment, \$42,000 |
| d. Cash payment, \$60,000 | h. Cash receipt, \$72,000 |

Ex. 16–3

- | | |
|--------------|--------------|
| a. financing | g. financing |
| b. financing | h. investing |
| c. financing | i. investing |
| d. investing | j. investing |
| e. operating | k. financing |
| f. financing | |

Ex. 16–4

- | | |
|-------------|-------------|
| a. added | g. deducted |
| b. added | h. added |
| c. deducted | i. deducted |
| d. added | j. added |
| e. deducted | k. added |
| f. deducted | |

Ex. 16–5

Net income.....	\$132,000	
Adjustments to reconcile net income to net cash flow from operating activities:		
Depreciation	21,800	
Changes in current operating assets and liabilities:		
Increase in accounts receivable	(1,900)	
Decrease in merchandise inventory	3,020	
Increase in prepaid expenses	(1,400)	
Increase in accounts payable	3,400	
Decrease in wages payable.....	<u>(3,000)</u>	
Net cash flow from operating activities		\$153,920