

**CASH FLOW STATEMENTS:  
OPERATING (Direct Method), INVESTING, AND FINANCING ACTIVITIES**

**OPERATING (CURRENT)**

Cash Inflows

- From sales of goods or services.
- From returns on loans (interest) and on equity securities (dividends).

Cash Outflows

- To suppliers for inventory.
- To employees for services.
- To government for taxes.
- To lenders for interest.
- To others for expenses.

**INVESTING (NON-CURRENT)**

Cash Inflows

- From sale of property, plant, and equipment.
- From sale or debt of equity securities of other entities.
- From collection of principal on loans to other entities.

Cash Outflows

- To purchase property, plant, and equipment.
- To purchase debt or equity securities of other entities.
- To make loans to other entities.

**FINANCING (NON-CURRENT)**

Cash Inflows

- From sale of equity securities.
- From issuance of debt (bonds and notes).

Cash Outflows

- To stockholders as dividends.
- To reacquire capital stock.
- To redeem long-term debt.