

**CASH FLOW STATEMENTS:
MOCK JOURNAL ENTRIES FOR DIRECT METHOD**

NOTE: Notice that impact on a C F statement is shown by underlining. Compare to items listed in C F statement.

Accounts Receivable	9,000	
<u>Cash (Received from Customers)</u>	191,000	
Sales		200,000
Cost of Goods Sold	80,000	
Accounts Payable	5,000	
Inventory		20,000
<u>Cash (Paid to Suppliers)</u>		65,000
Salary Expense	39,000	
<u>Cash (Paid to Employees)</u>		39,000
Depreciation Expense	5,000	
Accumulated Depreciation		5,000
Interest Expense	3,000	
<u>Cash (Paid for Interest)</u>		3,000
Insurance Expense		
<u>Cash (Paid for Insurance)</u>	3,000	3,000
Investing-Proceeds for Sale of Land	90,000	
Loss on Sale of Land	10,000	
Land		100,000
Income Tax Expense	18,600	
Income Taxes Payable		2,600
<u>Cash (Paid for Taxes)</u>		16,000

**COMPANY NAME
STATEMENT OF CASH FLOWS (PARTIAL, DIRECT METHOD)**

Cash Flows from Operating Activities		
Cash Received from Customers		191,000
Cash Paid to Suppliers	65,000	
Cash Paid to Employees	39,000	
Cash Paid for Interest	3,000	
Cash Paid for Insurance	3,000	
Cash Paid for Taxes	<u>16,000</u>	
Cash Disbursed for Operating Activities		<u>126,000</u>
Net Cash Flow from Operating Activities		<u>65,000</u>

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Reproduced by: Student Learning Assistance Center from the instructor's manual for use with the text.

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