# E 13-1

|  |  |  |  |
| --- | --- | --- | --- |
| Net Income: |  |  | 6.240  |
| less: Increase in Accounts Receivable | -200  |
|  Gain on Sale of Building |  | -280  |
| plus: increase in Accounts Payable |  | 240  |
|  |  |  |  | 6.000  |

**E 13-2**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  | Cash flow Section | Non-Cash |
| 1.Customers paid for the sales of this period. |  |  | O |  |
| 2.Payment to suppliers for the purchases in this period. |  | O |  |
| 3.Payment of insurance premium for the next 2 years. |  | O |  |
| 4.Payment for purchases of marketable securities. |  | I |  |
| 5.Depreciation expense for the period. |  |  |  | N |
| 6.Payment of dividends declared previously. |  |  | F |  |
| 7.Collection of accounts receivable. |  |  |  | O |  |
| 8.Collection of subscription fees. |  |  |  | O |  |
| 9.Leased equipment. Lease payments start next period. |  |  | N |
| 10.Borrowed from banks. |  |  |  | F |  |
| 11.Acquired equipment by issuing a note payable. |  |  | N |
| 12.Paid salaries and wages of the period. |  |  | O |  |
| 13.Amortization of discount on bonds. |  |  |  | N |
| 14.Machinery acquired by issuing stock. |  |  |  | N |
| 15. Retirement of bonds. |  |  |  | F |  |
| 16. Acquired common stock of other companies. |  | I |  |

**E 13-3**

|  |  |  |
| --- | --- | --- |
| Collections from customers: |  |  |
|  | Revenues |  |  | 1.570  |
|  | less Accounts Receivable | -69  |
|  |  |  |  | 1.501  |
|  |  |  |  |  |
| Purchases: |  |  |  |  |
|  | Cost of goods sold |  | 470  |
|  | plus inventories, end |  | 25  |
|  |  |  |  | 495  |
|  |  |  |  |  |
| Payments to suppliers: |  |  |  |
|  | Purchases |  |  | 495  |
|  | less: Accounts Payable |  | -44  |
|  |  |  |  | 451  |
| Cash flow from operations: |  |  |
|  | Collections from Customers | 1.501 |
|  | Payments to Suppliers |  | -451 |
|  | Operating Expenses |  | -280 |
|  |  |  |  | 770 |

**E 13-4**

|  |  |  |  |
| --- | --- | --- | --- |
| Changes in: |  |  |  |
| Total liabilities and Shareholders' Equity: |  |
|   |  | Current Liabilities | 509  |
|  |  | Long-term liabilities | -605  |
|  |  | Shareholders' Equity | -104  |
|  |  |  |  | -200  |
|  |  |  |  |  |
| Total Assets: |  |  |  |
|  |  | Current assets | -452  |
|  |  | Long-term Assets | 145  |
|  |  |  |  | -307  |
|  |  |  |  |  |
| Change in Cash | increase of  | 107  |

**E13-5**

|  |  |
| --- | --- |
| **Cash Flows from Operating Activities** |  |
| Decrease in Accounts Receivable |  2.000  |
| Increase in Notes Receivable | - 4.000  |
| Decrease in Inventories |  3.500  |
| Increase in Prepaid Expenses | - 300  |
| Increase in Accounts Payable |  3.800  |
| Decrease in Salaries Payable | - 2.700  |

**P 13-1**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  | 20X7 | 20X8 | change in balance |
| **Assets** |  |  |  |  |  |  |  |
| Cash |  |  |  |  | 5.010  | 17.170  | 12.160  |
| Trading Securities-at NRV |  |  | 3.350  | 1.310  | -2.040  |
| Accounts Receivable - net |  |  | 3.600  | 7.200  | 3.600  |
| Prepaid Expenses |  |  |  | 1.200  | 2.300  | 1.100  |
| Inventory |  |  |  |  | 6.282  | 10.312  | 4.030  |
|  Total Current Assets |  |  | 19.442  | 38.292  | 18.850  |
| Long-term Equity Investment (equity method) |  | 12.244  | 13.396  | 1.152  |
| Property, Plant and Equipment |  |  | 61.020  | 73.060  | 12.040  |
| Accumulated Depreciation |  |  | -3.000  | -3.250  | -250  |
| Total Assets |  |  |  | 89.706  | 121.498  | 31.792  |
| **Liabilities and Shareholders’ Equity** |  |  |  |  |
| Accounts Payable |  |  |  | 2.005  | 9.440  | 7.435  |
| Salaries Payable |  |  |  | 2.239  | 2.549  | 310  |
|  Total Current Liabilities |  |  | 4.244  | 11.989  | 7.745  |
| Bonds Payable |  |  |  | 10.000  | 23.000  | 13.000  |
| Discount on Bonds Payable |  |  | -460  | -430  | 30  |
| Bank Loans |  |  |  | 102  | 169  | 67  |
| Share Capital |  |  |  | 22.000  | 22.000  | 0  |
| Retained Earnings |  |  |  | 53.820  | 64.770  | 10.950  |
| Total Liabilities and Shareholders' Equity |  | 89.706 | 121.498 | 31.792  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Direct Method:** |  |  |  |  |
|  |  |  |  |  |  |
| Collections from customers: |  |  |  |
| Sales |  |  |  |  | 48.561  |
| less: increase in Accounts Receivable |  | -3.600  |
| plus: dividends received |  |  |  | 24  |
|   |  |  |  |  | 44.985  |
|  |  |  |  |  |  |
| Payments to Suppliers: |  |  |  |  |
| Purchases: |  |  |  |  |  |
|  Cost of Goods Sold |  |  | 29.681  |  |
| plus increase in Inventories |  | 4.030  |  |
|  |  |  |  | 33.711  |  |
| less: increase in Accounts Payable |  | -7.435  |  |
|  |  |  |  | 26.276  |  |
| Payments for Operating Expenses |  |  |  |
| Insurance Expense |  |  | 2.600  |  |
| plus increase in Prepaid Expenses |  | 1.100  |  |
| Salaries and Wages |  |  | 4347 |  |
| less: salaries payable |  |  | -310  |  |
|  |  |  |  | 7.737  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Karya Yachting |  |  |  |  |
| Statement of Cash Flows |  |  |  |  |
| For the Year 20X8 |  |  |  |  |
| in TL  |  |  |  |  |
| **Cash Flow from Operations:** |  |  |  |
| Collections from Customers |  |  | 44.985  |
| Payments to Suppliers |  |  |  | -26.276  |
| Payments for Operating Expenses |  |  | -7.737  |
| Interest Expense (1) |  |  |  | -949  |
| Income tax paid |  |  |  | -1.720  |
|  | Cash Flow from Operations: |  | 8.303  |
| (1) Interest Expense less amortization of bond discount of TL 30  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Indirect Method:** |  |  |  |  |
| Karya Yachting |  |  |  |  |
| Statement of Cash Flows |  |  |  |  |
| For the Year 20X8 |  |  |  |  |
| in TL  |  |  |  |  |
| **Cash Flow from Operations:** |  |  |  |
| Net Income |  |  |  | 12.550  |
| Add: |  |  |  |  |  |
| Depreciation and Amortization |  |  | 280  |
| Unrealized Loss on Marketable Securities |  | 230  |
| Adjust for: |  |  |  |  |  |
| increase in Accounts Receivable |  |  | -3.600  |
| increase in Prepaid Expenses |  |  | -1.100  |
| increase in Inventories |  |  |  | -4.030  |
| increase in Accounts Payable |  |  | 7.435  |
| increase in Salaries Payable |  |  | 310  |
| less: Equity Earnings |  |  |  | -1.176  |
|  Gain on Sale of Land |  |  | -2.140  |
|  Gain on Sale of Trading Securities |  | -480  |
| plus: Dividends Received |  |  | 24 |
|  | Cash Flow from Operations: |  | 8.303  |

|  |
| --- |
| **Cash Flow from Investing Activities and Financing Activities are the same** |
| **for both methods.** |  |  |  |  |
|  |  |  |  |  |  |
| **Cash flow from Investing Activities** |  |  |
| Sale of land(2) |  |  |  | 6.400  |
| Sale of Trading Securities |  |  | 2.290  |
| Purchase of PPE |  |  |  | -16.300  |
|  | Cash flow from Investing Activities |  | -7.610  |
| (2) Book value + gain on sale = TL 4.260 + TL 2.140 = TL 6.400  |
|  |  |  |  |  |  |
| **Cash flow from Financing Activities** |  |  |
| Bond issued |  |  |  | 13.000  |
| Bank Notes |  |  |  | 67  |
| Dividends  |  |  |  |  | -1.600  |
|  | Cash flow from Financing Activities |  | 11.467  |
|  |  |  |  |  |  |
| change in cash (3) |  |  |  | 12.160  |
| plus Cash beginning balance |  |  | 5.010  |
| equals Cash ending balance |  |  | 17.170  |
| (3) Cash flow from operating + Cash flow from investing + Cash flow from financing |

|  |  |  |
| --- | --- | --- |
|  | Trading Securities |  |
| Beg.Bal | 3350 | 230 | Unrealized Loss |
| Purchases | 0 | 1810 | Sold |
| End.Bal | 1310 |   |  |
|  |  |  |  |
|  | Equity Investment |  |
| Beg.Bal | 12244 | 24 | Dividends Received |
| Eq.Earnings | 1176 |   |  |
| End Bal | 13396 |   |  |
|  |  |  |  |
|  |  PPE |  |
| Beg.Bal | 61020 | 4260 | Land sold |
| Purchases | 16300 |   |  |
| End Bal | 73060 |   |  |
|  |  |  |  |
|  |  Accum.Depr |  |
|  |  | 3000 | Beg.Bal |
|  |   | 250 | Depr.Exp |
|  |  | 3250 | End Bal |

**P 13-2**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Yarta Company |  |  |  |  |
| Statement of Cash Flows |  |  |  |  |
| For the year 20XX |  |  |  |  |
| in TL |  |  |  |  |
|  |  |  |  |  |  |
| Cash flow from operating activities: |  |  |  |
|  |  |  |  |  |  |
| Net Income |  |  |  | 10.000  |
| plus: Depreciation |  |  |  | 2.500  |
|  |  |  |  |  | 12.500  |
| Adjust for: |  |  |  |  |  |
| increase in Accounts Receivable |  |  | -2.700  |
| decrease in Accounts Payable |  |  | -1.100  |
| decrease in Inventory |  |  |  | 1.600  |
|  | Cash flow from operating activities |  | 10.300  |
|  |  |  |  |  |  |
| Cash flow from Investing Activities: |  |  |  |
| Sale of Securities |  |  |  | 110  |
| Sale of Building |  |  |  | 850  |
| Purchase of equipment |  |  |  | -2.000  |
| Loan to Suppliers |  |  |  | -250  |
|  | Cash flow from Investing Activities |  | -1.290  |
|  |  |  |  |  |  |
| Cash flow from Financing Activities: |  |  |  |
| Issuance of Share Capital |  |  | 35.000  |
| Dividends paid |  |  |  | -1.800  |
|  | Cash flow from Financing Activities |  | 33.200  |
|  |  |  |  |  |  |
| Net Change in Cash |  |  |  | 42.210  |
|  |  |  |  |  |  |
| plus Cash balance, beginning |  |  | 4.000  |
| equals Cash balance, end of the period |  | 46.210  |

**P 13-3**

|  |
| --- |
| Yürekli A.Ş.Statement of Cash FlowsFor the Year Ended 31 December 20X8 |
| Cash Flow from Operations |  |  |
| Cash Collections; |  |  |
| From Customers | (106.500-850) | 105.650 |
| From Rent | (4.300-600) | 3.700 |
|  Total Cash Collections |  | 109.350 |
|  |  |  |
| Cash Payments: |  |  |
| To suppliers | (35.300-1.800-1.300) | 32.200 |
| For salaries | 13.900+1.750 | 15.650 |
| Operating Expenses | 5.250+300+1.150 | 6.700 |
| For interest expense | 5.800+250 | 6.050 |
| For income tax | 14.550-600 | 13.950 |
|  Total Cash Payments |  | 74.550 |
|  |  |  |
| Net Cash Flow from Operations |  | 34.800 |
|  |  |  |
| Cash Flow from Investing Activities |  |
| For purchase of land |  | -14.500  |
| From sale of equipment |  | 2.000  |
| For purchase of equipment |  | -6.550  |
|  Net Cash flow from Investing  |  | -19.050  |
|  |  |  |
|  |  |  |
| Cash Flow from Financing Activities |  |
| Payment of Note Payable |  | -12.500  |
| Issuance of Common Stock |  | 5.000  |
| Additional Paid in Capital |  | 6.800  |
| Payments for Dividends |  | -14.100  |
|  Net Cash Flow from Financing |  | -14.800 |
|  |  |  |
| Net Change in Cash |  | 950  |
|  |  |  |
| Plus: Beginning Cash |  | 2.650 |
| Equal: Ending Cash |  | 3.600  |

**P 13-4**

|  |
| --- |
| **Yassılar A.Ş.****Statement of Cash Flows****For the Year Ended 31 December 20X8** |
| Cash Flow from Operations |  |  |
| Cash Collections; |  |  |
| From Customers | 1.060.900 | 1,040,900+20,000 |
|  **Total Cash Collections** | **1.060.900** |  |
| Cash Payments: |  |  |
| To suppliers | 594.300 | 656,300-40,000-22,000 |
| For operating expenses | 128.800 | 189,200-60,000-400 |
| For interest expense | 37.600 |  |
| For income tax | 26.200 | 34,200-8,000 |
|  **Total Cash Payments** | **786.900** |  |
|  |  |  |
| Net Cash Flow from Operations | 274.000 |  |
|  |  |  |
| Cash Flow from Investing Activities |  |  |
| From sale of equipment | 3.000  | 7,000-4,000 |
|  **Net Cash flow from Investing**  | **3.000**  |  |
|  |  |  |
| Cash Flow from Financing Activities |  |  |
| From Issuance of Notes Payable | 30.000  |  |
| Payment of Note Payable |  (80.000) |  |
| Repayment of Bonds |  (20.000) |  |
| Payments for Dividends |  (60.000) |  |
|  **Net Cash Flow fr Financing** |  **(130.000)** |  |
|  |  |  |
| Net Change in Cash | 147.000  |  |
|  |  |  |
| **Plus: Beginning Cash** | **20.000** |  |
| **Equal: Ending Cash** |  **167.000**  |  |

**P13-5 Toton Company**

|  |  |
| --- | --- |
| Cash Flows From Operating Activities |  |
| Net Income |  49.750  |
| Add: Depreciation expense |  12.000  |
| Increase in Accounts Receivable | - 2.300  |
| Decrease in Merchandise Inventory |  12.100  |
| Decrease in Prepaid Expenses |  350  |
| Increase in Accounts Payable |  19.900  |
| **Cash Flows From Operating Activities** |  **91.800**  |
|  |  |
| Cash Flows from Investing Activities |  |
| Purchase of plant assets | - 78.000  |
| **Cash Flows from Investing Activities** | **- 78.000**  |
|  |  |
| Cash Flows from Financing Activities |  |
| Payment of Dividends | - 30.000  |
| Increase in Capital |  60.000  |
| Repayment of Mortgage Note Payable | - 50.000  |
| **Cash Flows from Financing Activities** | **- 20.000**  |
|  |  |
| Decrease in Cash | - 6.200  |
| Cash at the beginning of the year |  28.100  |
| **Cash at the end of the year** |  **21.900**  |