# 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 Flows  For 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** |