

CASH FLOW STATEMENT

This paper is prepared and submitted by

In partial fulfillment to the course syllabus

ACCOUNTING

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**Cash Flow Statement
Margol Corporation**

For the year ended 2005

	DR	CR
Cash flows from operating activities		
Net income		\$35,800.00
Adjustments to reconcile net income to net cash flows from operating activities		
Depreciation expense	\$-8,000.00	
Gain on sale of investments	0	
Loss on sale of plant assets	0	
Changes in current assets and current liabilities		
Decrease in accounts receivable		-10,000.00
Increase in inventory	0	
Decrease in prepaid expenses	0	
Increase in accounts payable	0	
Increase in accrued liabilities	0	
Decrease in income taxes payable	-1,200.00	
Net cash flows from operating activities	\$-4,400.00	
Cash flows from investing activities		
Purchase of investments	\$4,000.00	

Sale of investments	\$-48,000.00	
Purchase of plant assets		\$-10,000.00
Sale of plant assets	<u> \$0</u>	
Net cash flows from investing activities	\$-54,000.00	

Cash flows from financing activities

Repayment of bonds		
Issue of common stock		\$50,000.00
Payment of dividends	-8,600.00	
Purchase of treasury stock	<u> </u>	
Net cash flows from financing activities	\$41,400.00	

Net increase (decrease) in cash

Cash at beginning of year	\$25,000.00	
Cash at end of year	\$-33,400.00	