

Exercise E13-1

Pioneer Corporation had the transactions below during 2011.

Analyze the transactions and indicate whether each transaction resulted in a cash flow from operating activities, investing activities, financing activities, or noncash investing and financing activities.

(a)	Issued \$50,000 par value common stock for cash.	
(b)	Purchased a machine for \$30,000, giving a long-term note in exchange.	
(c)	Issued \$200,000 par value common stock upon conversion of bonds having a face value of \$200,000.	
(d)	Declared and paid a cash dividend of \$18,000.	
(e)	Sold a long-term investment with a cost of \$15,000 for \$15,000 cash.	
(f)	Collected \$16,000 of accounts receivable.	
(g)	Paid \$18,000 on accounts payable.	

Exercise E13-8

Here are comparative balance sheets for Taguchi Company.

TAGUCHI COMPANY Comparative Balance Sheets December 31		
Assets	2011	2010
Cash	\$73,000	\$22,000
Accounts receivable	85,000	76,000
Inventories	170,000	189,000
Land	75,000	100,000
Equipment	260,000	200,000
Accumulated depreciation	(66,000)	(32,000)
Total	\$597,000	\$555,000
<b>Liabilities and Stockholders' Equity</b>		
Accounts payable	\$39,000	\$47,000
Bonds payable	150,000	200,000
Common stock (\$1 par)	216,000	174,000
Retained earnings	192,000	134,000
Total	\$597,000	\$555,000

Additional information:

- Net income for 2011 was \$103,000.
- Cash dividends of \$45,000 were declared and paid.
- Bonds payable amounting to \$50,000 were redeemed for cash \$50,000.
- Common stock was issued for \$42,000 cash.
- No equipment was sold during 2011, but land was sold at cost.

Complete the statement of cash flows for 2011 using the indirect method. (List amounts from largest positive to smallest positive followed by most negative to least negative, e.g. 15, 14, 10, -17, -5, -1. If amount decreases cash flow, use either a negative sign preceding the number e.g. -45 or parentheses e.g. (45).)

TAGUCHI COMPANY Statement of Cash Flows For the Year Ended December 31, 2011	
Cash flows from operating activities	
	\$ 103,000
Adjustments to reconcile net income to net cash provided by operating activities	
	\$ 24,000
	19,000
	(8,000)

	(8,000)	38,000
Net cash <input type="text"/> by operating activities		130,000
<b>Cash flows from Investing activities:</b>		
<input type="text"/>	25,000	
<input type="text"/>	(60,000)	
Net cash <input type="text"/> by Investing activities		(35,000)
<b>Cash flows from financing activities:</b>		
<input type="text"/>	42,000	
<input type="text"/>	(50,000)	
<input type="text"/>	(45,000)	
Net cash <input type="text"/> by financing activities		(53,000)
Net <input type="text"/> in cash		51,000
Cash at beginning of period		22,000
Cash at end of period		73,000