

Acc 206 complete course material essay



**ASSIGN
BUSTER**

ACC 206 Complete Course Material ACC 206 Week 1 Assignment Chapter One

Problems Why are noncash transactions, such as the exchange of common stock a building, included on a statement of cash flows? How are these

noncash transactions disclosed Chapter 1 Exercise 1: 1. Classification of

activities Classify each of the following transactions as arising from an

operating (O), investing (I), financing (F), or noncash investing/financing (N)

activity. a. _____ Received \$80, 000 from the sale of land. b.

_____ Received \$3, 200 from cash sales. c. _____ Paid a \$5, 000

dividend. d. _____ Purchased \$8, 800 of merchandise for cash.

e. _____ Received \$100, 000 from the issuance of common stock. f.

_____ Paid \$1, 200 of interest on a note payable. g. _____ Acquired a

new laser printer by paying \$650.

h. _____ Acquired a \$400, 000 building by signing a \$400, 000 mortgage

note. Chapter 1 Exercise 4: 4. Overview of direct and indirect methods

Evaluate the comments that follow as being True or False. If the comment is false, briefly explain why.

a. Both the direct and indirect methods will produce the same cash flow from operating activities. b. Depreciation expense is added back to net income when the indirect method is used. c. One of the advantages of using the direct method rather than the indirect method is that larger cash flows from financing activities will be reported.

d. The cash paid to suppliers is normally disclosed on the statement of cash flows when the indirect method of statement preparation is employed. e. The

dollar change in the Merchandise Inventory account appears on the statement of cash flows only when the direct method of statement preparation is...