Net Cash Flow from Operating Activities	Handout 7
Net income	\$9,000
Adjustments for differences between income	
flows and cash flows from operating activities:	
Add: Depreciation expense	4,000
Decrease in inventory	3,000
Increase in unearned rent	1,000
Less: Increase in accounts receivable	(6,000)
Increase in supplies	(2,000)
Decrease in accounts payable	<u>(7,000)</u> <u>(7,000)</u>
Net cash provided by operating activities	2,000
Cash Flows from Investing Activities	
Payment for purchase of equipment	(6,000)
Net cash used for investing activities	(6,000)
Cash Flows from Financing Activities	
Issuance of common stock	12,000
Payment of dividends	(1,000)
Net cash provided by financing activities	11,000
Net increase in cash	\$ 7,000
Cash at beginning of year	8,000
Cash at end of year	\$ 15,000