

Digitech
Computation for Cash Collection from Customer(W-1):
Cash Collection from Customer = Net Sales - Increase in Accounts Receivable
= 2,300,000 - 60,000
= 2,240,000
Computation for Cash Paid to Supplier(W-2):
Cash Paid to Supplier = Cost of Goods Sold + Increase in Inventory - Increase in Accounts Payable
= 1,200,000 + 70,000 - 10,000
= 1,260,000
Computation for Cash Paid for Expenses(W-3):
Cash Paid for Expenses = Operating Expenses - Non-Cash Expense + Decrease in Accrued Expenses - Decrease in Prepaid Expenses
= 700,000 - 110,000 + 20,000 -40,000
= 570,000
Computation for Tax Paid(W-4)
Tax Paid = Tax Expense
= 140,000

**Pakistan Digitech Company**  
**Statement of Cash Flows-Direct Method**  
**For the Period Ended Dec 31, 2006**

<b>Cash Flows from Operations:</b>			
Cash collection from customer(W-1)			2,240,000
Cash paid to supplier(W-2)			(1,260,000)
Cash paid for expenses(W-3)			(570,000)
Tax paid(W-4)			(140,000)
<b>Cash Inflows from Operation</b>			<b>270,000</b>
<b>Cash Flows from Investing Activities:</b>			
Purchase of plant & equipment		(500,000)	
Sale of long term investment		250,000	
<b>Cash Outflows from Investing Activities</b>			<b>(250,000)</b>
<b>Cash Flows from Financing Activities:</b>			
Issuance of Debentures		100,000	
Issuance of Shares		100,000	
Cash Dividend		(180,000)	
<b>Cash Inflows from Financing Activities</b>			<b>20,000</b>
Increase in Cash			40,000
Add: Beginning Cash			100,000
<b>Cash at End</b>			<b>140,000</b>

**Pakistan Digitech Company**  
**Statement of Cash Flows-Indirect Method**  
**For the Period Ended Dec 31, 2006**

<b>Cash Flows from Operations:</b>			
Net Income			310,000
Add: Depreciation Expense			110,000
Less: Gain on sale of long term investment			(50,000)
Less: Increase in Accounts Receivable			(60,000)
Less: Increase in Inventory			(70,000)
Add: Decrease in Prepaid Expense			40,000
Add: Increase in Accounts Payable			10,000
Less: Decrease in Accrued Liabilities			<u>(20,000)</u>
<b>Cash Inflows from Operation</b>			<b>270,000</b>
<b>Cash Flows from Investing Activities:</b>			
Purchase of plant & equipment	(500,000)		
Sale of long term investment	<u>250,000</u>		
<b>Cash Outflows from Investing Activities</b>			<b>(250,000)</b>
<b>Cash Flows from Financing Activities:</b>			
Issuance of Debentures	100,000		
Issuance of Shares	100,000		
Cash Dividend	<u>(180,000)</u>		
<b>Cash Inflows from Financing Activities</b>			<b>20,000</b>
Increase in Cash			40,000
Add: Beginning Cash			<u>100,000</u>
<b>Cash at End</b>			<b><u>140,000</u></b>

<b>BAMZ Company</b> <b>Statement of Cash Flows</b> <b>For the Period Ended Dec 31, 2018</b>				
<b>Cash Flows from Operating Activities:</b>				
Net Income				93,000
Add: Depreciation				34,000
Less: Increase in Accounts Receivable				(12,000)
Add: Decrease in Inventory				22,000
Less: Decrease in Accounts Payable				<u>(4,000)</u>
<b>Cash Inflow from Operating Activities</b>				<b>133,000</b>
<b>Cash Flow from Investing Activities:</b>				
Sale of Land			20,000	
Purchase of Equipment			<u>(60,000)</u>	
<b>Cash Outflow from Investing Activities</b>				<b>(40,000)</b>
<b>Cash Flow from Financing Activities:</b>				
Redemption of Bonds			(50,000)	
Issuance of Shares			42,000	
Payment of Cash Dividend			<u>(39,000)</u>	
<b>Cash Outflow from Financing Activities</b>				<b><u>(47,000)</u></b>
Increase in Cash				46,000
Add: Beginning Cash				<u>22,000</u>
<b>Ending Cash</b>				<b><u>68,000</u></b>

