

### ACC 302 Statement of Cash Flows Project

- **Use** the comparative balance sheet and the comparative income statement on the following page to complete this assignment.
  
- **Prepare** the following documents:
  - Schedules showing the amount and percentage change from 2008 to 2009 for the comparative income statements and the balance sheets
  - Common-size income statements and balance sheets for 2008 and 2009
  - A 2009 Statement of Cash Flows using the indirect method (Financials needed are the comparative balance sheet and the comparative income statement on page two of this document. No additional information is needed.)
  
- **Write** a 200–300 word memo that presents your analysis of the documents prepared. Your analysis should include:
  - The favorable and unfavorable changes in the components and composition of the statements prepared
  - The significant changes from Operating Activities, Investing Activities, and Financing Activities
  
- **Submit** your assignment via MyWest. This assignment will be graded according to West's *Accounting Project Rubric*.

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**Comparative Balance Sheet**

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	<b>2009</b>	<b>2008</b>
Cash	\$ 40,000	\$ 24,000
Accounts receivable (net)	48,000	41,500
Inventory	43,000	34,500
Prepaid expenses	19,000	15,000
Total Current Assets	\$ 150,000	\$ 115,000
Plant and equipment	\$ 67,000	\$ 61,000
Less accumulated depreciation	(41,000)	(23,000)
Plant and equipment (net)	\$ 26,000	\$ 38,000
Long-term investments	90,000	89,000
Total Assets	<u>\$ 266,000</u>	<u>\$ 242,000</u>
Accounts payable	\$ 13,000	\$ 11,000
Accrued liabilities	55,000	71,000
Total Current Liabilities	\$ 68,000	\$ 82,000
Long-term debt	25,000	8,000
Deferred taxes	4,000	3,500
Total Liabilities	\$ 97,000	\$ 93,500
Common stock (\$1 par) and additional paid-in capital	112,000	97,000
Retained earnings	57,000	51,500
Total Liabilities and Equity	<u>\$ 266,000</u>	<u>\$ 242,000</u>

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**Comparative Income Statement**

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	<b>2009</b>	<b>2008</b>
Sales	\$ 155,000	\$ 125,000
Cost of goods sold	83,000	62,500
Gross profit	\$ 72,000.00	\$ 62,500
Selling and administrative	45,700	37,500
Depreciation	18,000	16,800
Operating Profit	\$ 8,300	\$ 8,200
Interest expense	2,000	1,327
Earnings before tax	\$ 6,300	\$ 6,873
Tax expense	800	873
<b>Net Income</b>	<u>\$ 5,500</u>	<u>\$ 6,000</u>

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