

Type of OCF	Guide to solving for OCF		Example information		Solution space																																																	
			Balance sheet	Income statement																																																		
Cash inflows with uncollectible accounts	<div><div>1</div><div>Accounts receivable</div><table><tr><td>Beginning balance</td><td></td></tr><tr><td>2 Revenue</td><td>Cash collection 4</td></tr><tr><td></td><td>Written off 3</td></tr><tr><td>Ending balance</td><td></td></tr></table></div> <div><div>1</div><div>Allowance for uncollectible accounts</div><table><tr><td>Beginning balance</td><td></td></tr><tr><td>2 Gain on re-estimation</td><td>Bad debt expense 2</td></tr><tr><td>Written off 3</td><td>Recovery of uncol/accts 4</td></tr><tr><td>Ending balance</td><td></td></tr></table></div>	Beginning balance		2 Revenue	Cash collection 4		Written off 3	Ending balance		Beginning balance		2 Gain on re-estimation	Bad debt expense 2	Written off 3	Recovery of uncol/accts 4	Ending balance		<table><tr><td></td><td>20X9</td><td>20X8</td><td></td><td>20X9</td></tr><tr><td>A/R</td><td>4,700</td><td>5,800</td><td>Revenue</td><td>20,000</td></tr><tr><td>Allowance</td><td>500</td><td>1,150</td><td>Bad Debt Exp</td><td>350</td></tr></table> <div>*Assume all sales are credit sales</div> <div>*Assume no recovery on uncol/accts</div>		20X9	20X8		20X9	A/R	4,700	5,800	Revenue	20,000	Allowance	500	1,150	Bad Debt Exp	350	<table><tr><td>A/R</td><td></td><td>Allowance for U/A</td><td></td></tr><tr><td>5,800</td><td></td><td></td><td>1,150</td></tr><tr><td>20,000</td><td>20,100</td><td></td><td>350</td></tr><tr><td></td><td>1,000</td><td>1,000</td><td></td></tr><tr><td>4,700</td><td></td><td></td><td>500</td></tr></table>	A/R		Allowance for U/A		5,800			1,150	20,000	20,100		350		1,000	1,000		4,700			500
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