

Type of OCF	Guide to solving for OCF	Example information	Solution space																																											
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**Other Cash Flows**

Type of CF: Investing, Financing

Guide to solving for investing or financing cash flow

Example information  
Balance sheet | Income statement

Solution space

Investing cash flows

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	20X9	20X8		20X9
Building	30,000	20,000	Loss on sale	3,000
Acc. Depr.	1,800	7,000	Depr. Exp.	1,000

\*Bought a building for \$20,000 cash

Building	Acc. Depr. -- Building
<del>20000</del> 20000	<del>7000</del> 7000
10000	6200
3000	1000
1800	1800

DR Cash		(800)
DR Acc Depr -- [PP&E]	6200	
DR Loss on asset sale	3000	
CR [PP&E]		10000

Financing cash flows  
Bond issuance

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	20X9	20X8
Bond payable	20,000	0
Premium	2,000	0

\*Issued a \$20,000, 6%, 5 year bond at the start of the fiscal year 20X9  
\*Bond pays semiannual interest (the second coupon was on the fiscal year end date)  
\*Bond premium amortization was \$460  
\*Assume there was no bond retirement

Bond payable	Premium
<del>20000</del> 20000	<del>2460</del> 2460
20000	460
20000	2000

DR Cash	20460
CR Bond premium	2460
CR Bond payable	20000

Financing cash flows  
Bond retirement

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	20X9	20X8		20X9
Bond payable	10,000	20,000	Loss, retirement	400
Premium	1,000	2,460		

\*Bond pays semiannual interest (the second coupon was on the fiscal year end date)  
\*Retired half of this bond issue at year end after coupon payment. There are no other outstanding bond issues.  
\*Bond premium amortization was \$460

Bond payable	Premium
<del>20000</del> 10000	<del>2460</del> 2460
20000	460
10000	1000
10000	1000

DR Bond payable	10000
DR Loss, bond retirement	400
DR Premium	1000
CR Cash	11400

Cash outflow  
Dividends paid

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	20X9	20X8		20X9
Dividend Pay	1,000	2,000	Total comp. income	3,000
Ret. Earnings	17,000	20,000		

\*A stock dividend of \$4,000 was declared and paid  
\*There were no changes to retained earnings outside of dividends and TCI

Dividend payable	Retained earnings
<del>2000</del> 3000	<del>20000</del> 3000
2000	4000
1000	17000