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| Financial data of Fancy Footwork Company for 2013 and 2012 are presented below. |
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| FANCY FOOTWORK COMPANY |  |
| COMPARATIVE BALANCE SHEET |  |
| AS OF DECEMBER 31, 2013 AND 2012 |  |
|   |  |   |  |
|   | 2013 | 2012 |  |
| Cash |  $ 260,000  |  $ 230,000  |  |
| Receivables |  $ 156,000  |  $ 120,000  |  |
| Inventory |  $ 180,000  |  $ 220,000  |  |
| Plant assets |  $ 160,000  |  $ 135,000  |  |
| Accumulated depreciation |  $ (80,000) |  $ (76,000) |  |
| Long-term investments (held-to-maturity) |  $ 80,000  |  $ 93,000  |  |
|   |  $ 756,000  |  $ 722,000  |  |
|   |  |   |  |
| Accounts payable |  $ 135,000  |  $ 122,000  |  |
| Accrued liabilities |  $ 30,000  |  $ 33,100  |  |
| Bonds payable |  $ 135,000  |  $ 166,000  |  |
| Common stock |  $ 180,000  |  $ 165,000  |  |
| Retained earnings |  $ 276,000  |  $ 235,900  |  |
|   |  $ 756,000  |  $ 722,000  |  |
|   |   |   |  |
|  |  |  |  |
| FANCY FOOTWORK COMPANY |  |
| INCOME STATEMENT |  |
| For the year ended Dec 31, 2013 |  |
| Sales |  | 750000 |  |
| Cost of Goods Sold |  | 530000 |  |
| Gross Margin |  | 220000 |  |
| Selling and administrative expenses |  | 106000 |  |
| Income from Operations |  | 114000 |  |
| Other revenues and gains |  |   |  |
|  Gain on sale of investments |  | 7000 |  |
| Income before tax |  | 121000 |  |
| Income tax expense |  | 48400 |  |
| Net Income |  | 72600 |  |
|   |   |   |  |
|  |  |  |  |
| Additional information: |  |  |  |
| During the year, $9000 of common stock was issued in exchange for plant assets. No plant assets were sold in 2012. Cash dividends were $32500. |  |
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| **Required: Use Excel** |  |  |  |
| A) Prepare a statement of cash flows using the indirect method |  |
| B) Prepare a statement of cash flows using the direct method. (Do not prepare a reconciliation schedule.) |  |