Discussion Questions

1. Identify the three sections of the statement of cash flows. What sign (positive or negative) for each section would you expect for a financially strong firm? Expand on response

2. Define the statement of cash flows. What is its purpose? Expand on response

3. Why is the net cash flow from operating activities arguably the most informative # in the financial statements? Expand on response

Textbooks

Introduction to Financial Accounting, 11/E, Charles T. Horngren, *Stanford University,*Gary L. Sundem, *University of Washington,*John A. Elliott, *Baruch College, The City University of New York,*Donna Philbrick, *Portland State University,*ISBN-10: 0133489361 | ISBN-13: 9780133489361 ©2014 • Prentice Hall • Cloth, 648 pp