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| **Question 5** |

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| http://edugen.wiley.com/edugen/art2/common/pixel.gif |

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| http://edugen.wiley.com/edugen/art2/common/pixel.gif |

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| http://edugen.wiley.com/edugen/art2/common/pixel.gif | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | Scully Corporation's comparative balance sheets are presented below.   |  | | --- | |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | SCULLY CORPORATION | | | | | | | Comparative Balance Sheets | | | | | | | December 31 | | | | | | |  | **2008** | |  | **2007** | | | Cash | $17,303 |  |  | $12,947 |  | | Accounts receivable | 25,652 |  |  | 28,314 |  | | Land | 24,200 |  |  | 31,460 |  | | Building | 84,700 |  |  | 84,700 |  | | Accumulated depreciation | (18,150) |  |  | (12,100) |  | | Total | $133,705 |  |  | $145,321 |  | |  |  |  |  |  |  | | Accounts payable | $14,968 |  |  | $37,631 |  | | Common stock | 90,750 |  |  | 83,490 |  | | Retained earnings | 27,987 |  |  | 24,200 |  | | Total | $133,705 |  |  | $145,321 |  |   Additional information:   1. Net income was $27,382. Dividends declared and paid were $23,595. 2. All other changes in noncurrent account balances had a direct effect on cash flows, except the change in accumulated depreciation. The land was sold for $5,929.  |  | | --- | |  | | | | http://edugen.wiley.com/edugen/art2/common/pixel.gif |

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| http://edugen.wiley.com/edugen/art2/common/pixel.gif |

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| http://edugen.wiley.com/edugen/art2/common/pixel.gif | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | Prepare a statement of cash flows for 2008 using the indirect method. ***(List multiple entries with a positive cash flow first and then the negative cash flow. List amounts from largest to smallest eg 10, 5, 3, 2. If amount decreases cash flow, use either a negative sign preceding the number eg -45 or parentheses eg (45).)***   |  |  |  | | --- | --- | --- | | **SCULLY CORPORATION** | | | | **Statement of Cash Flows** | | | | **For the Year Ended December 31, 2008** | | | | Cash flows from operating activities |  |  | |  |  | $ | | Adjustments to reconcile net income |  |  | | to net cash provided by operating activities |  |  | |  | $ |  | |  |  |  | |  |  |  | |  |  |  | | Net cash provided by operating activities |  |  | |  |  |  | | Cash flows from investing activities |  |  | |  |  |  | |  |  |  | | Cash flows from financing activities |  |  | |  |  |  | |  |  |  | | Net cash used by financing activities |  |  | |  |  |  | | Net in cash |  |  | | Cash at beginning of period |  |  | | Cash at end of period |  | $ |  |  | | --- | |  | | | | http://edugen.wiley.com/edugen/art2/common/pixel.gif |

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| http://edugen.wiley.com/edugen/art2/common/pixel.gif | |  |  |  | | --- | --- | --- | | |  |  | | --- | --- | | Compute free cash flow. ***(If amount decreases cash flow, use either a negative sign preceding the number eg -45 or parentheses eg (45).)***  $   |  | | --- | |  | | | | http://edugen.wiley.com/edugen/art2/common/pixel.gif |

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