**Classifying inflow and outflow of cash**

**Items Changes**

Cash +100

Account payable -1,000

Note payable +500

Long-Term Debt -2,000

Inventory +200

Fixed Asset +400

Account Receivable -700

Net Profits +600

Depreciation +100

Repurchase of stock +600

Cash dividends +800

Sales of stock +1000

**Cash Flow Concept**

Transaction

Cash Sales

Credit Sales

Account Receive are collective

Assets with 5 yrs life is purchased

Depreciation is taken

Amortization of goodwill is taken

Sales of common stock

Retirement of outstanding bonds

Five insurance premium is paid for the next 3 yrs