Investing transactions that do not directly and immediately affect cash are:

 included in the statement of cash flows.

not reported anywhere in the financial statements

reported separately on a supplemental schedule to the statement of cash flows.

reported separately on the balance sheet.

The FASB decided that the allocation of income taxes paid to operating, financing, and investing activities would be complex and arbitrary, and relied on which one of the following justifications for its decision?

Conservatism constraint

Cost-benefit constraint

Materiality constraint

Revenue recognition principle

The FASB addressed simultaneous financing and investing activities by requiring that they be:

ignored.

reported on the retained earnings statement.

reported separately on a supplemental schedule to the statement of cash flows.

reported separately on the income statement.

Madisen Company reported net income for Year 4 of $200,000. The company reported depreciation expense of $35,000 and amortization of patents of $10,000. The company also reported a loss on the sale of equipment of $5,000. Based only on this information, the company would report net cash flow from operations of:

$235,000.

$240,000.

$245,000.

$250,000.