

XYZ Bank told Bob to increase cash to \$70,000 from 2016 to 2017. But cash increased from \$16,566 in 2016 to just \$33,411 in 2017, well short of \$70,000. In this assignment, you will review six select changes in the Balance Sheet accounts, highlighted in yellow, to better understand how these individual account changes impact overall cash flows.

2017 and 2016 Comparative

ASSETS

2017

2016

Items 1 to 6. Note the \$ value effect on Cash. Did the change in balances from one year to the next create (+) or 'use' (-) cash? Note the accounting or finance issue related to each of the six accounts reviewed.

**Cash** \$ \$ 33,411 \$ \$ 16,566

**Accounts Receivable** \$ 260,205 \$ 318,768

**Inventory** \$ 423,819 \$ 352,740 71,079

Other current assets \$ 41,251 \$ 29,912 \$ (11,339)

**Total Current Assets** \$ 758,686 \$ 717,986 \$ (40,700)

**Plant Property and Equipment** \$ 1,512,675 \$ 1,403,220 109,455

Goodwill and other assets \$ 382,145 \$ 412,565 \$ 30,420

**Total Assets** \$ 2,653,506 \$ 2,533,771 \$ (119,735)

LIABILITIES AND EQUITY

**Accounts Payable** \$ 378,236 \$ 332,004 46,232

**Wages Payable** \$ 14,487 \$ 7,862 6,625

Accrued income taxes \$ 21,125 \$ 16,815 \$ 4,310

**Total Current Liabilities** \$ 413,848 \$ 356,681 \$ 57,167

**Long-Term Debt: Bank Notes** \$ 679,981 \$ 793,515 (113,534)

**Total Liabilities** \$ 1,093,829 \$ 1,150,196 (56,367)

**Total Common Equity** \$ 1,559,677 \$ 1,383,575 176,102

**Total Liabilities and Equity** \$ 2,653,506 \$ 2,533,771 \$ 119,735

Needed to foot the Cash Flow Statement all the way back to 2017 cash position.

**Net Income** \$3,155,848

**Depreciation** 212,366

**Dividends Paid** 2,966,412

**Tax** 225,700