

## B-16.11

Review the following technical comments about the presentation methodology for the statement of cash flows. Identify if the comment pertains to the "direct" or "indirect" approach, or "both."

The operating cash flows section typically begins with net income.

Separate disclosure is provided for noncash investing/financing activities.

Requires supplemental disclosure reconciling net income to operating cash flows.

Conceptually, the preferred approach.

Includes three separate sections - operating, investing, and financing.

Requires supplemental disclosure of cash paid for interest and cash paid for taxes.

A loss on the sale of a plant asset would be added back in operating cash flows.