

### CONCEPT: SIGNIFICANT NON-CASH ACTIVITIES

- The **significant non-cash activities** include \_\_\_\_\_ and \_\_\_\_\_ activities that do not affect cash
  - Note: the **indirect** or **direct** method only deal with operating activities
  - These activities have no cash receipt or disbursement, but are important to the users of the financial statements
  - These activities show up at the bottom of the Statement of Cash Flows as a disclosure
    - They are not included in the calculation of the change in the Cash account

The Exchanger Company signed an \$110,000 notes payable in exchange for land.

Journal Entry:

The Exchanger Company retired \$100,000 of bonds payable by issuing 50,000 shares of \$0.01 par value common stock.

Journal Entry: