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: