

Section-wise Cash Flow Statement for Profit Measurement

A. Cash Flow from Operating Activities

| Description | Amount (USD) |
|------------------------------------|--------------|
| Cash Received from Customers | 120,000 |
| Cash Paid to Suppliers | (60,000) |
| Cash Paid for Operating Expenses | (25,000) |
| Income Tax Paid | (8,000) |
| Net Cash from Operating Activities | 27,000 |

B. Cash Flow from Investing Activities

| Description | Amount (USD) |
|------------------------------------|--------------|
| Purchase of Property/Equipment | (10,000) |
| Sale of Investments | 2,500 |
| Net Cash from Investing Activities | (7,500) |

C. Cash Flow from Financing Activities

| Description | Amount (USD) |
|------------------------------------|--------------|
| Loan Received | 20,000 |
| Dividend Paid | (5,000) |
| Repayment of Borrowings | (10,000) |
| Net Cash from Financing Activities | 5,000 |

D. Net Increase/(Decrease) in Cash and Cash Equivalents

| | |
|---|--------|
| Opening Cash & Cash Equivalents | 15,000 |
| Add: Net Increase/(Decrease) from above | 24,500 |
| Closing Cash & Cash Equivalents | 39,500 |

Important Notes:

- This cash flow statement helps measure actual cash-generated profit, not just accounting profit.
- Section-wise separation aids in understanding core operations, investment, and financing flows.
- Non-cash transactions are excluded, focusing only on real inflows and outflows.
- Always reconcile opening and closing cash balances for accuracy.
- Use this layout for assessing liquidity and operational efficiency each period.