

**Solution:**

(1)

STATEMENT OF CASH FLOW (Amounts in thousands of \$)	
Name: Wayzata Company For: 2010	
Particulars	Amount
<b>CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	
Cash Sales to Customers	430
Purchase of Goods	(455)
Operating Expenses, paid in cash	(65)
Income Tax Paid	(20)
<b>Cash Provided (used) by operating Activities</b>	<b>(110)</b>

(2)

STATEMENT OF CASH FLOW (Amounts in thousands of \$)	
Name: Wayzata Company For: 2010	
Particulars	Amount
<b>CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	
Net Income	60
Adjustment of net income to reconcile with net cash flow from operations:	
Income not affecting cash:	
Depreciation & Amortization	30
Changes in assets & liabilities:	
Increase in Accounts Receivables	(130)
Decrease in Accounts Payable	(40)
Increase in Inventory	(25)
Decrease in Taxes Payable	(5)
<b>Cash Provided (used) by operating Activities</b>	<b>(110)</b>

(3)

There has been a lot of sales on credit, and other activities have also indulged in a lot of cash flow. The sales could not offset the cash flow from other accounts easily.