

Solution:

(1)

RECONCILIATION OF NET INCOME TO NET OPERATING EXPENSE
(Amount in millions of \$)

Name: Cascade Tiles
For: Fiscal 2011

Particulars	Amount
CASH PROVIDED (USED) BY OPERATIONAL ACTIVITY	
Net Income	312
Depreciation & Amortization	45
Adjustment to reconcile net income to net cash provided by operation:	
Increase in Accounts Receivable	(110)
Increase in Inventory	(50)
Increase in Accounts Payable	35
Increase in Accrued Wages Payable	(10)
Increase in Income Tax Accrued	5
Net Cash Provided (used) by Operational Activity	227
