

# Corporate Finance Briefing: Corporate Cash Flow

Yardeni Research, Inc.

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*thinking outside the box*

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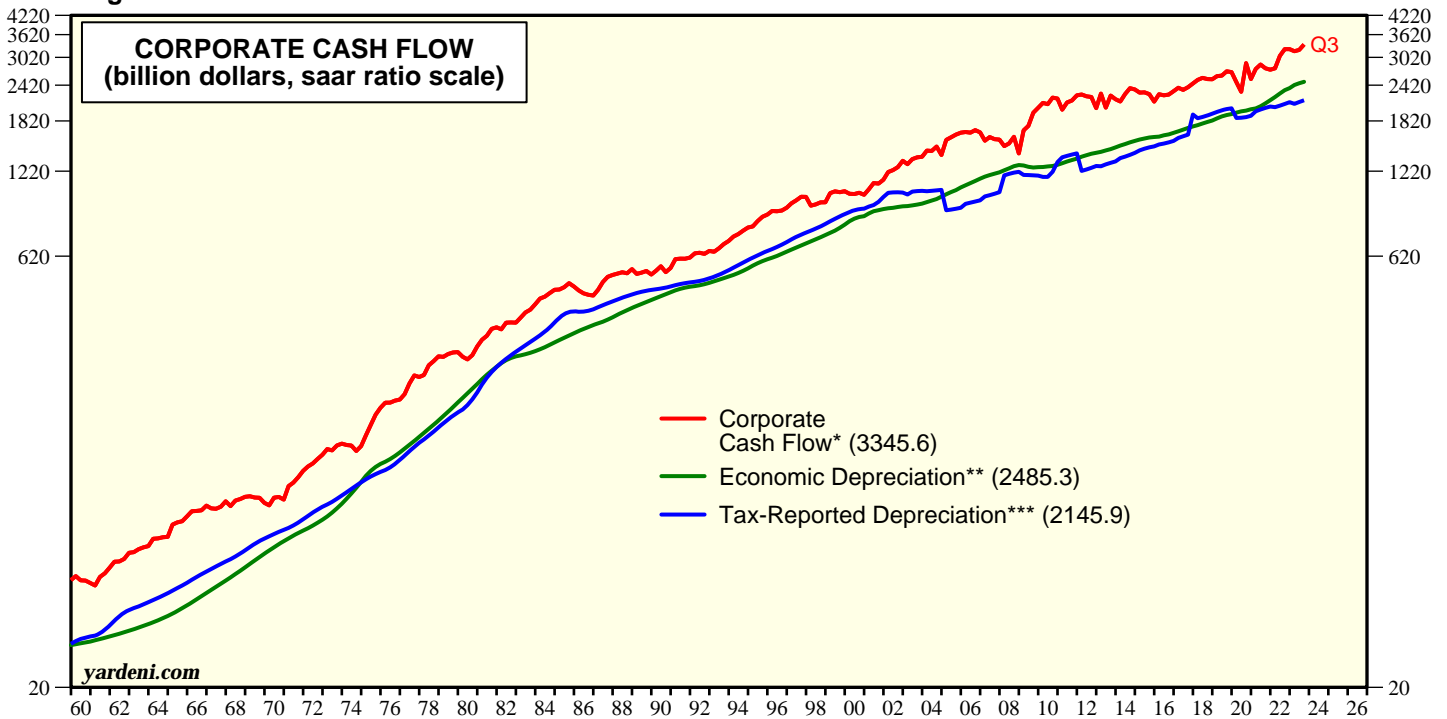
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Cash Flow

1-3

# Cash Flow

Figure 1.



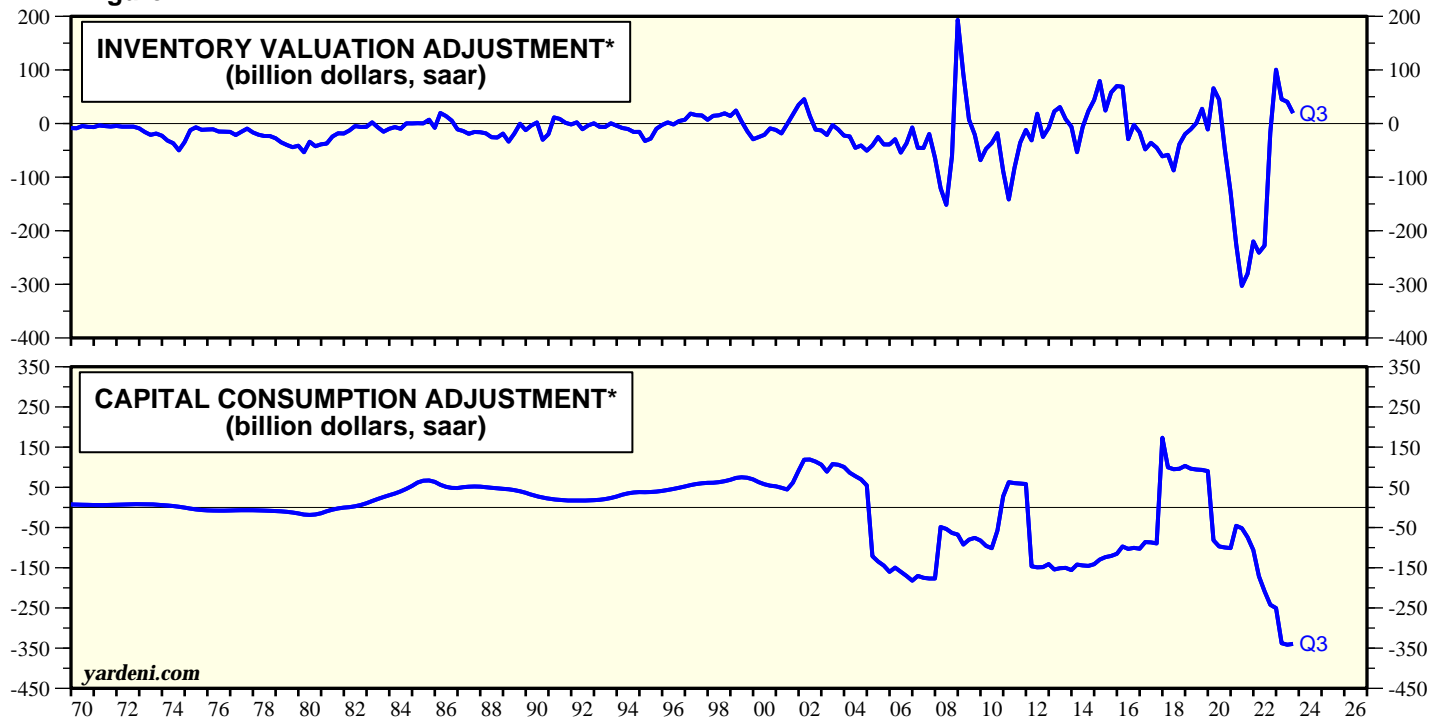
\* After-tax undistributed corporate profits with IVA plus capital consumption allowance (i.e., tax-reported depreciation), which is equal to consumption of fixed capital (i.e., economic depreciation) plus the capital consumption adjustment (CCAdj).

\*\* Consumption of fixed capital.

\*\*\* Capital consumption allowance (i.e., tax-reported depreciation).

Source: Bureau of Economic Analysis.

Figure 2.

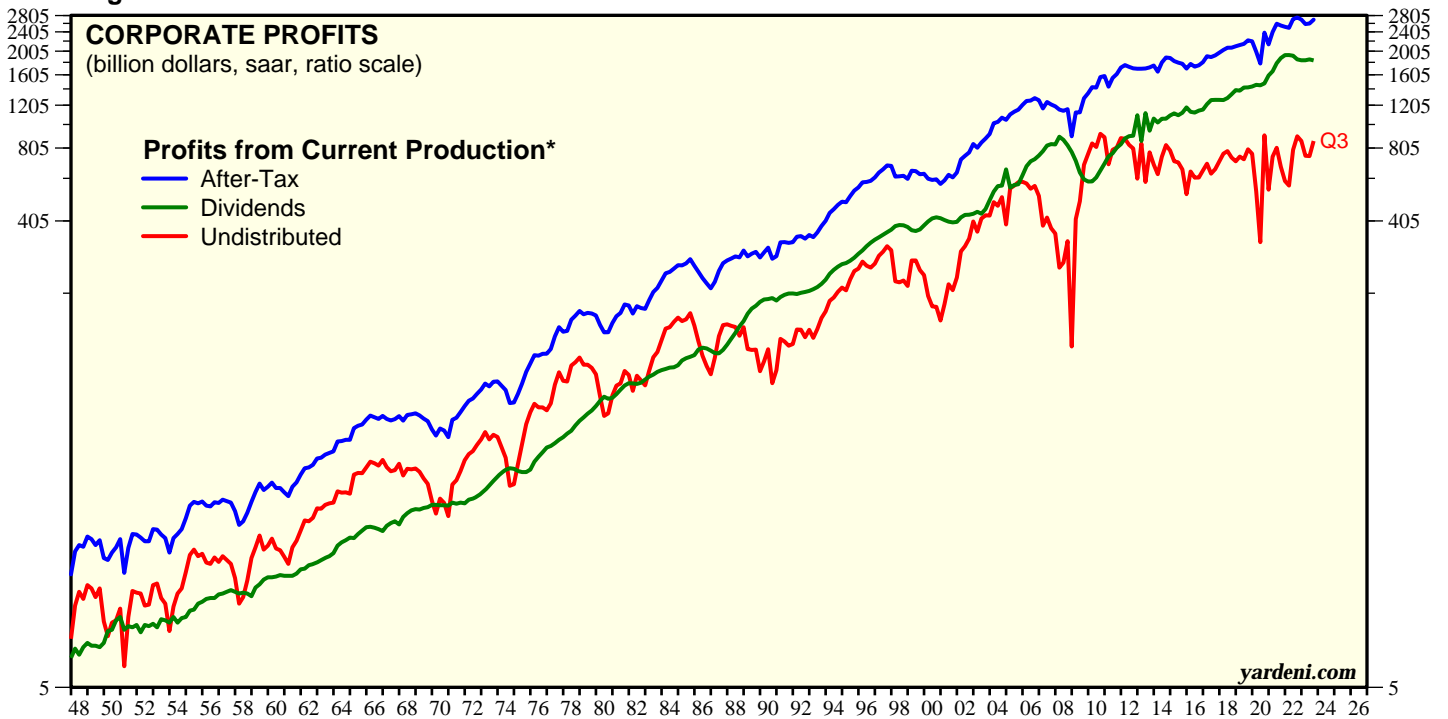


\* Inventory Valuation Adjustment (IVA) and Capital Consumption Adjustment (CCAdj) are used to restate the historical cost basis used in profits tax accounting for inventory withdrawals and depreciation to the current cost measures used in GDP.

Source: Bureau of Economic Analysis.

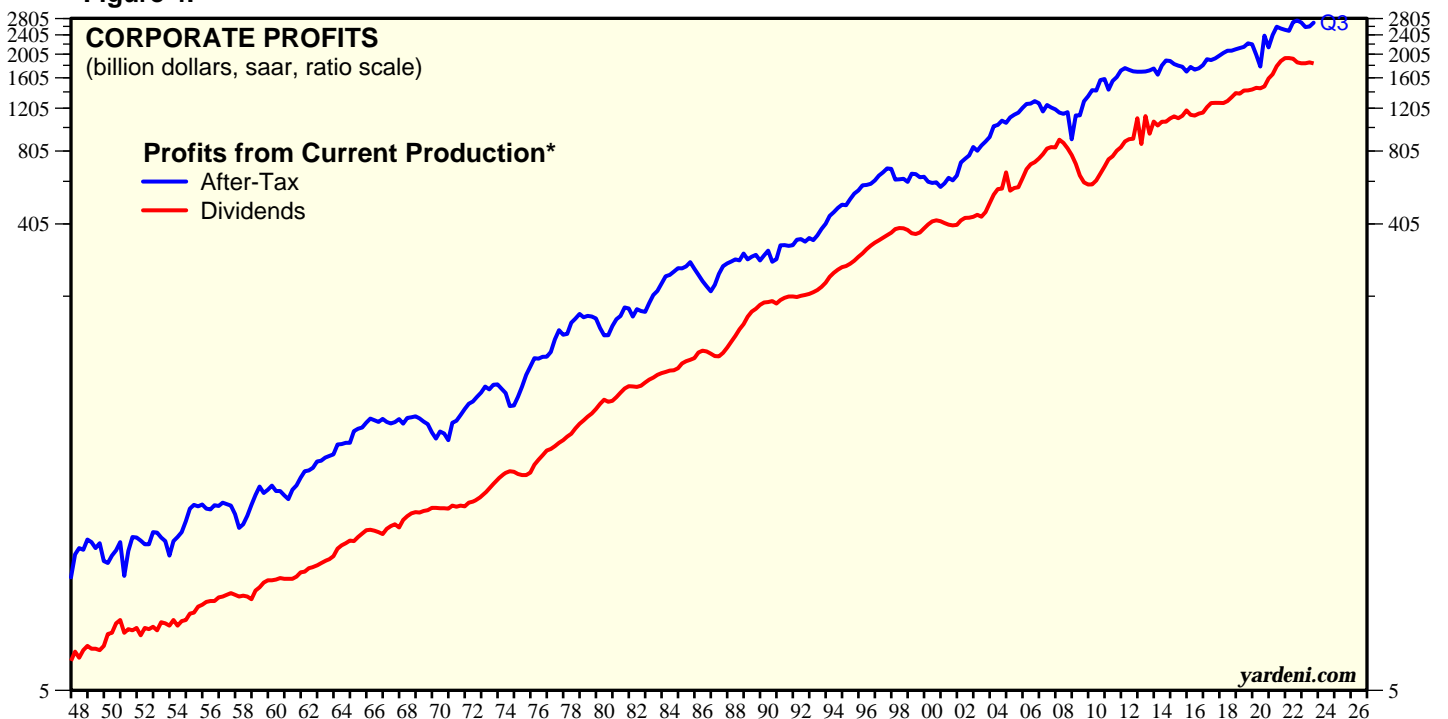
# Cash Flow

Figure 3.



\* Including Inventory Valuation Adjustment (IVA) and Capital Consumption Adjustment (CCAdj), which restate the historical cost basis used in profits tax accounting for inventory withdrawals and depreciation to the current cost measures used in GDP.  
Source: Bureau of Economic Analysis.

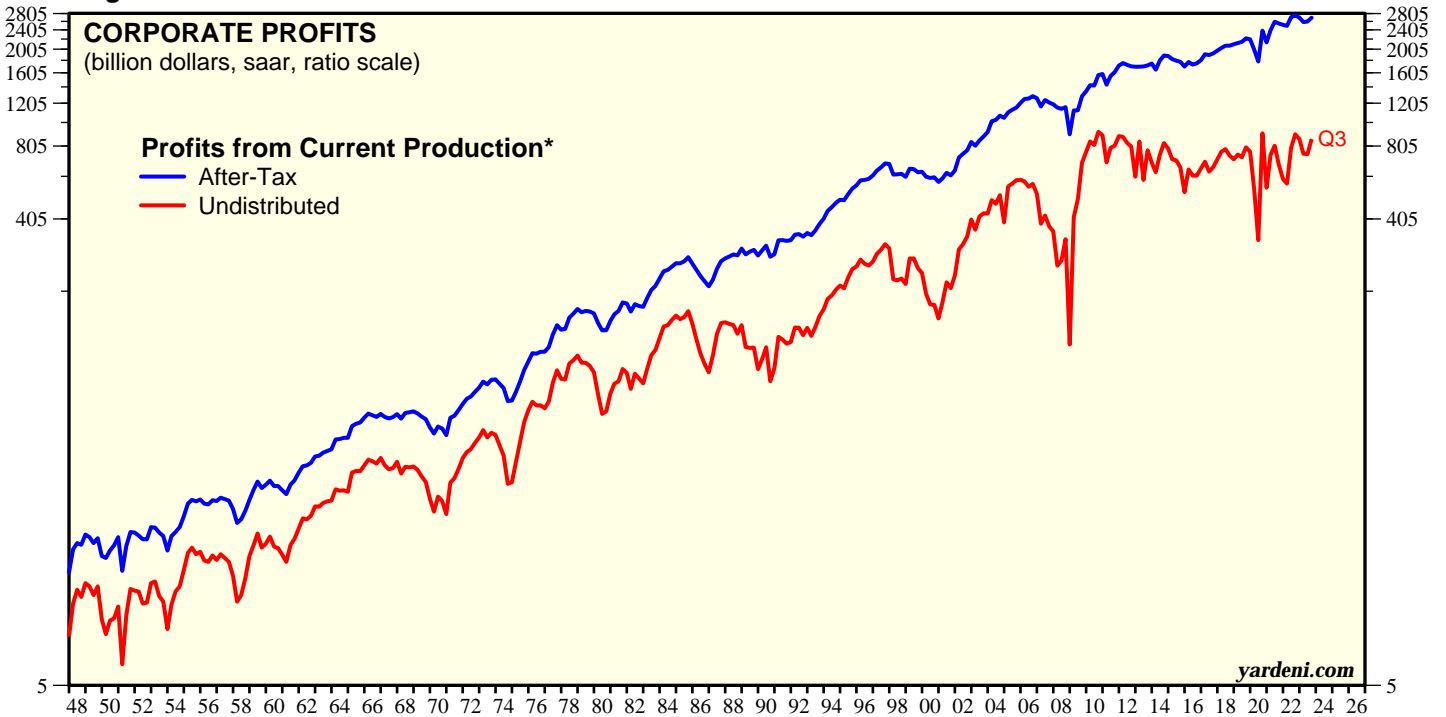
Figure 4.



\* Including Inventory Valuation Adjustment (IVA) and Capital Consumption Adjustment (CCAdj), which restate the historical cost basis used in profits tax accounting for inventory withdrawals and depreciation to the current cost measures used in GDP.  
Source: Bureau of Economic Analysis.

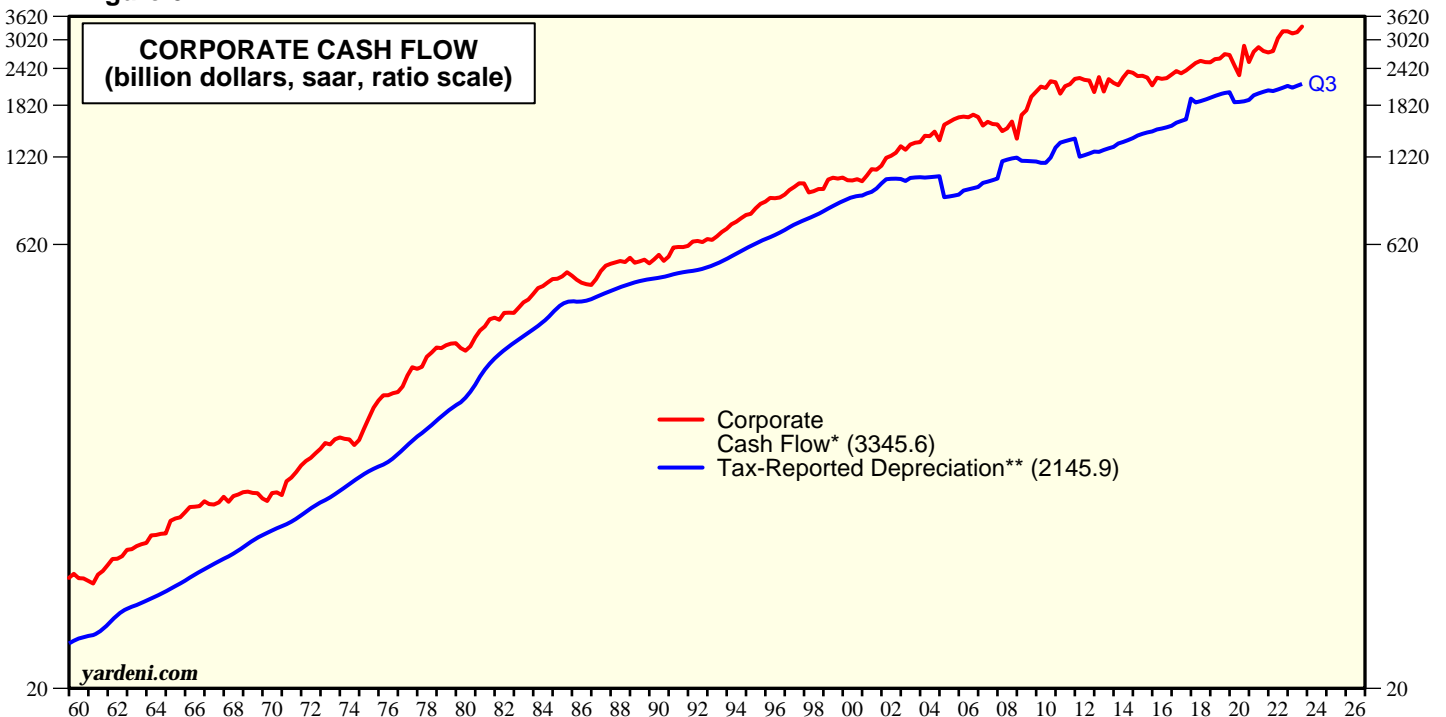
# Cash Flow

Figure 5.



\* Including Inventory Valuation Adjustment (IVA) and Capital Consumption Adjustment (CCAdj), which restate the historical cost basis used in profits tax accounting for inventory withdrawals and depreciation to the current cost measures used in GDP.  
Source: Bureau of Economic Analysis.

Figure 6.



\* After-tax undistributed corporate profits with IVA plus capital consumption allowance (i.e., tax-reported depreciation), which is equal to consumption of fixed capital (i.e., economic depreciation) plus the capital consumption adjustment (CCAdj).

\*\* Capital consumption allowance (i.e., tax-reported depreciation).

Source: Bureau of Economic Analysis.

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