

## **How do the sale of its Craftsman brand, a loan from a hedge fund, and the sale of real estate impact Sears' statement of cash flows?**

In January 2017, Sears Holding Corporation ([NASDAQ: SHLD](#)) sold its Craftsman brand for \$900 million to Black & Decker, the manufacturer of power tools and accessories. That same month, a hedge fund affiliated with the CEO of Sears loaned Sears \$500 million. Sears also has plans to sell about \$1 billion of real estate assets in 2017.

### **Questions**

1. What category of activity on the statement of cash flows would the sale of the Craftsman brand be considered?
2. What category of activity on the statement of cash flows would the loan from the hedge fund be considered?
3. What category of activity on the statement of cash flows would the sale of Sears real estate holdings be considered?
4. How would Sears' statement of cash flows be impacted by these activities? (Ignore any gains or losses on the transactions to answer this question.)