



ACCOUNTS

NCERT - NCERT ACCOUNTS(HINGLISH)

CASH FLOW STATEMENT

Illustration

1. From the following information, calculate cash flow from operating activities using direct method.

**Statement of Profit and Loss
for the year ended on March 31, 2017**

Particulars	Note	Figures for Current reporting period
i) Revenue from operations		2,20,000
ii) Other Income		—
iii) Total revenue (i+ii)		2,20,000
iv) Expenses		
Cost of materials consumed		1,20,000
Employees benefits expenses		30,000
Depreciation		20,000
Other expenses		
Insurance Premium		8,000
Total expenses		1,78,000
v) Profit before tax (iii-iv)		42,000
Less Income tax		(10,000)
vi) Profit after tax		32,000

Additional information:

Particulars	April 01, 2016	March 31, 2017
	Rs	Rs
Trade receivables	33,000	36,000
Trade payables	17,000	15,000
Inventory	22,000	27,000
Outstanding employees benefits expenses	2,000	3,000
Prepaid insurance	5,000	5,500
Income tax outstanding	3,000	2,000



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2. Using the data given in Illustration 1, calculate cash flows from operating activities

using indirect method.



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3. Calculate cash flows from operating activities from the following information.

Statement of Profit and Loss for the year ended March 31, 2017

Particulars	Note No.	Amount Rs
i) Revenue from Operations		50,000
ii) Other Income	1	5,000
iii) Total Revenue (i+ii)		55,000
iv) Expenses		
Cost of Materials Consumed		15,000
Employees Benefits Expenses		10,000
Depreciation and Amortisation Expenses	2	7,000
Other Expenses	3	21,000
		53,000
v) Profit before Tax (iii-iv)		2,000

Working Notes:

1. Other Income = Profit on Sale of Machinery

(Rs 2,000) +

Income Tax Refund (Rs 3,000)

= Rs 5,00

2. Depreciation and Amortisation Expenses =

Depreciation (Rs 5,000) + Goodwill Amortised

(Rs 2,000)

Other Expenses = Rent (Rs 10,000) + Loss on

Sale of Equipment (Rs 3,000) + Provision for

Taxation (Rs 8,000) ltrge = Rs 21,000

Additional Information:

	April 01, 2016 Rs	March 31, 2017 Rs
Provision for Taxation	10,000	13,000
Rent Payable	2,000	2,500
Trade Payables	21,000	25,000
Trade Receivables	15,000	21,000
Inventories	25,000	22,000



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4. Charles Ltd., made a profit of Rs 1,00,000 after charging depreciation of Rs 20,000 on assets and a transfer to general reserve of Rs 30,000. The goodwill amortised was Rs 7,000 and gain on sale of machinery was Rs 3,000. Other information available to you (changes in the value of current assets and current liabilities) are trade receivables showed an increase of Rs 3,000, trade payables an increase of Rs 6,000, prepaid expenses an increase of Rs 200, and outstanding expenses

a decrease of Rs 2,000. Ascertain cash flow from operating activities.



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5. Welprint Ltd. has given you the following information:

	(Rs)
Machinery as on April 01, 2016	50,000
Machinery as on March 31, 2017	60,000
Accumulated Depreciation on April 01, 2016	25,000
Accumulated Depreciation on March 31, 2017	15,000

During the year, a Machine costing Rs 25,000 with Accumulated Depreciation of Rs 15,000 was sold for Rs 13,000.

Calculate cash flow from Investing Activities on the basis of the above information.



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6. From the following information, calculate cash flows from financing activities:

	April 1, 2016 (Rs)	March 31, 2017 (Rs)
Long-term Loans	2,00,000	2,50,000

During the year, the company repaid a loan of Rs 1,00,000.



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7. From the following information, prepare Cash Flow Statement for Pioneer Ltd.

Balance Sheet of Pioneer Ltd., as on March 31, 2017

Particulars	Note No.	31st March 2017 (Rs)	31st March 2016 (Rs)
I. Equity and Liabilities			
1. Shareholders' Funds			
a) Share capital	1	7,00,000	5,00,000
b) Reserve and surplus	2	3,50,000	2,00,000
2. Non-current Liabilities			
Long-term borrowings: Bank Loan		50,000	1,00,000
3. Current Liabilities			
a) Trade payables		45,000	50,000
b) Other current liabilities: outstanding rent		7,000	5,000
c) Short-term provisions	3	1,20,000	80,000
Total		12,72,000	9,35,000
II. Assets			
1. Non-current assets			
a) Fixed assets			
(i) Tangible assets	4	5,00,000	5,00,000
(ii) Intangible assets	5	95,000	1,00,000
b) Non-current investments		1,00,000	-
2. Current assets			
a) Inventories		1,30,000	50,000
b) Trade receivables		1,20,000	80,000
c) Cash and cash equivalents	6	3,27,000	2,05,000
Total		12,72,000	9,35,000

Notes to Accounts:

Particulars	31st March 2017 (Rs)	31st March 2016 (Rs)
1. Equity Share Capital	7,00,000	5,00,000
2. Reserve and Surplus		
Surplus: i.e., Balance in Statement of Profit and Loss	3,50,000	2,00,000

3. Short-term Provision:		
Proposed Dividend	70,000	50,000
Provision for Taxation	50,000	30,000
	1,20,000	80,000
4. Fixed Assets		
- Tangible assets		
- Equipments	2,30,000	2,00,000
- Furniture	2,70,000	3,00,000
	5,00,000	5,00,000
5. Intangible Assets		
Patents	95,000	1,00,000
6. Cash and cash equivalents		
i) Cash	27,000	5,000
ii) Bank balance	3,00,000	2,00,000
	3,27,000	2,05,000



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8. From the following Balance Sheets of Xerox Ltd., prepare cash flow statement.

From the following Balance Sheets of Xerox Ltd., prepare cash flow statement.

Particulars	Note No.	31st March 2017 (Rs)	31st March 2016 (Rs)
I. Equity and Liabilities			
1. Shareholders' Funds			
a) Share capital		15,00,000	10,00,000
b) Reserve and surplus (Balance in Statement of Profit and Loss)		7,50,000	6,00,000
2. Non-current Liabilities			
Long-term borrowings	1	1,00,000	2,00,000
3. Current Liabilities			
a) Trade payables		1,00,000	1,10,000
b) Short-term provisions (Provision for taxation)		95,000	80,000
Total		25,45,000	19,90,000
II. Assets			
1. Non-current assets			
a) Fixed assets			
(i) Tangible assets	2	10,10,000	12,00,000
(ii) Intangible assets (Goodwill)		1,80,000	2,00,000
b) Non-current investment		6,00,000	-
2. Current assets			
a) Inventories		1,80,000	1,00,000
b) Trade Receivables		2,00,000	1,50,000
c) Cash and cash equivalents	3	3,75,000	3,40,000
Total		25,45,000	19,90,000

Particulars	31st March 2017 (Rs)	31st March 2016 (Rs)
1. Long-term borrowings:		
i) Debentures	—	2,00,000
ii) Bank loan	1,00,000	—
	1,00,000	2,00,000
2. Tangible Assets		
i) Land and building	6,50,000	8,00,000
ii) Plant and machinery	3,60,000	4,00,000
	10,10,000	12,00,000
3. Cash and cash equivalents		
i) Cash in hand	70,000	50,000
ii) Bank balance	3,05,000	2,90,000
	3,75,000	3,40,000

Additional information:

1. Dividend proposed and paid during the year

Rs 1,50,000.

2. Income tax paid during the year includes Rs 15,000 on account of dividend tax.

3. Land and building book value Rs 1,50,000 was sold at a profit of 10%.

4. The rate of depreciation on plant and machinery is 10%.



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9. From the following information of Oswal Mills Ltd., prepare cash flow statement:

**Balance Sheet of Oswal Mills
as on 31st March, 2016 and 2017**

Particulars	Note No.	(Rupees in Lakhs)	
		31st March 2017 (Rs)	31st March 2016 (Rs)
I. Equity and Liabilities			
1. Shareholders' Funds			
a) Share capital	1	1,300	1,300
b) Reserve and surplus (Surplus)		4,700	4,000
2. Current Liabilities			
a) Short-term borrowings		200	600
b) Trade payables		300	400
Total		6,700	6,400
II. Assets			
1. Non-current assets			
a) Fixed assets	2	2,400	2,400
b) Non-current investments		300	200
2. Current assets			
a) Inventories		1,200	1,300
b) Trade receivables		800	900
c) Cash and cash equivalents		1,200	800
d) Short-term loans and advances		800	800
Total		6,700	6,400

Notes to Accounts:

(Rs in Lakhs)

Particulars	31st March 2017 (Rs)	31st March 2016 (Rs)
1. Share capital		
Equity share capital	1,000	1,000
10% preference share capital	300	400
	1,300	1,400
2. Fixed assets		
Tangible assets	3,600	3,400
Less: Accumulated depreciation	(1,200)	(1,000)
	2,400	2,400

**Statement of Profit and Loss
for the year ended 31st March, 2017**

(Rupees in Lakhs)

Particulars	Note No.	31st March 2017 (Rs)	-
I. Revenue from operation		2,800	-
II. Other income (dividend income)		1,000	-
III. Total Revenue		3,800	-
IV. Expenses			
Cost of material consumed		400	-
Employees benefit expenses		200	-
Finance cost (interest paid)		200	-
Depreciation		200	-
Loss due to earthquake		1,100	-
		2,100	
V. Profit before tax		1,700	-
VI. Tax paid		1,000	-
Profit after tax		700	-

Additional information:

1. No dividend paid by the company during the

current financial year.

2. Out of fixed assets, land worth Rs 1,000 Lakhs having no accumulated depreciation was sold at no profit or no loss.



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10. From the following information of Banjara Ltd., prepare a cash flow statement:

Particulars	Note No.	(Rupees in Lakhs)	
		31st March 2017 (Rs)	31st March 2016 (Rs)
I. Equity and Liabilities			
1. Shareholders' Funds			
a) Share capital		1,500	1,250
b) Reserve and surplus (surplus)		3,410	1,380
2. Non-current Liabilities			
Long-term borrowings (Long-term loan)		1,110	1,040
3. Current Liabilities			
a) Trade payables		150	1,890
b) Other current liabilities	1	630	1,100
Total		6,800	6,660
II. Assets			
1. Non-current assets			
a) Fixed assets		730	850
b) Non-current investments	2	2,500	2,500
2. Current assets			
a) Current investments (Marketable)		670	135
b) Inventories		900	1,950
c) Trade Receivables		1,700	1,200
d) Cash and cash equivalents		200	25
e) Other current assets (Interest receivables)		100	—
Total		6,800	6,660

Notes to Accounts:		31st March 2017 (Rs)	31st March 2016 (Rs)
Particulars			
1. Other Current Liabilities			
i) Interest payable		230	100
ii) Income tax payable		400	1,000
		630	1,100

2. Fixed Assets:			
Tangible		2,180	1,910
Less: Accumulated depreciation		(1,450)	(1,060)
		730	850

Particulars	Note No.	(Rupees in Lakhs)	
		2017 March 31 (Rs)	
I. Revenue from operation			
II. Other income		30,650	
III. Total Revenue	1	640	
IV. Expenses			
Cost of material consumed		26,000	
Finance cost (interest expenses)		400	
Depreciation		450	
Other expenses (Admn. and selling expenses)		910	
Total expenses		27,760	
Profit before tax		3,530	
Less: Tax		(300)	
Profit after tax		3,230	

Notes to Accounts:		Rs
Particulars		
1. Other Income during the year 2016-17		
i) Interest Income		300
ii) Dividend Income		200
iii) Insurance Proceeds from earthquake disaster Settlement		140
		640

Additional Information:

(i) An amount of Rs 250 was raised from the issue of share capital and a further

Rs 250 was raised from long-term borrowings.

(ii) Interest expense was Rs 400 of which Rs 170 was paid during the period.

Rs 100 relating to interest expense of the prior period was also paid during the period.

(iii) Dividends paid were Rs 1,200.

(iv) Tax deducted at source on dividends received (included in the tax expense of Rs 300 for the year) amounted to Rs 40



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Test Your Understanding 1

Test your Understanding - 1

Classify the following activities into operating activities, investing activities, financing activities, cash equivalents.

1. Purchase of machinery.	2. Proceeds from issuance of equity share capital.
3. Cash revenue from operations.	4. Proceeds from long-term borrowings.
5. Proceeds from sale of old machinery.	6. Cash receipt from trade receivables.
7. Trading commission received.	8. Purchase of non-current investment.
9. Redemption of preference shares.	10. Cash purchases.
11. Proceeds from sale of non-current investment.	12. Purchase of goodwill.
13. Cash paid to supplier.	14. Interim dividend paid on equity shares.
15. Employee benefits expenses paid.	16. Proceeds from sale of patents.
17. Interest received on debentures held as investments.	18. Interest paid on long-term borrowings.
19. Office and administrative expenses paid.	20. Manufacturing overheads paid.
21. Dividend received on shares held as investment.	22. Rent received on property held as investment.
23. Selling and distribution expenses paid.	24. Income tax paid.
25. Dividend paid on preference shares.	26. Under-writing commission paid.
27. Rent paid.	28. Brokerage paid on purchase of non-current investment.
29. Bank overdraft.	31. Short-term deposit.
30. Cash credit.	33. Refund of income-tax received.
32. Marketable securities.	

1.



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Test Your Understanding II

<i>Particulars</i>	2016	2017
Machine at cost	5,00,000	9,00,000
Accumulated Depreciation	3,00,000	4,50,000
Equity Shares Capital	28,00,000	35,00,000
Bank Loan	12,50,000	7,50,000

1.



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Short Answer Questions

1. What is a Cash flow statement?



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2. How are the various activities classified (as per AS-3 revised) while preparing cash flow statement?



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3. State the uses of cash flow statement.



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4. What are the objectives of preparing cash flow statement?



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5. State the meaning of the terms: (i) Cash Equivalents, (ii) Cash flows



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6. Prepare a format of cash flow from operating activities under indirect method.



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7. State clearly what would constitute the operating activities for each of the following enterprises:

(i) Hotel

(ii) Film production house

(iii) Financial enterprise

(iv) Media enterprise

(v) Steel manufacturing unit

(vi) Software development business unit.



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8. “The nature/type of enterprise can change altogether the category into which a particular activity may be classified.” Do you agree? Illustrate your answer.



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Long Answer Questions

1. Describe the procedure to prepare Cash Flow Statement.



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2. Describe “Indirect” method of ascertaining Cash Flow from operating activities.



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3. Explain the major Cash Inflows and outflows from investing activities.



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4. Explain the major Cash Inflows and outflows from financing activities.



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Numerical Questions

1. Anand Ltd., arrived at a net income of Rs 5,00,000 for the year ended March 31, 2017. Depreciation for the year was Rs 2,00,000. There was a profit of Rs 50,000 on assets sold which was transferred to Statement of Profit and Loss account. Trade Receivables increased during the year Rs 40,000 and Trade Payables also increased by Rs 60,000. Compute the cash flow from operating activities by the indirect approach



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2. From the information given below you are required to calculate the cash paid for the inventory:

<i>Particulars</i>	<i>(Rs)</i>
Inventory in the beginning	40,000
Credit Purchases	1,60,000
Inventory in the end	38,000
Trade payables in the beginning	14,000
Trade payables in the end	14,500



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3. For each of the following transactions, calculate the resulting cash flow and state the nature of cash flow, viz., operating, investing

and financing.

(a) Acquired machinery for Rs 2,50,000 paying 20% by cheque and

executing a bond for the balance payable.

(b) Paid Rs 2,50,000 to acquire shares in Informa Tech. and received a dividend of Rs 50,000 after acquisition.

(c) Sold machinery of original cost Rs 2,00,000 with an accumulated depreciation of Rs 1,60,000 for Rs 60,000.



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4. The following is the Profit and Loss Account of Yamuna Limited:

**Statement of Profit and Loss of Yamuna Ltd.,
for the Year ended March 31, 2017**

<i>Particulars</i>	<i>Note No.</i>	<i>Amount (Rs)</i>
i) Revenue from Operations		10,00,000
ii) Expenses		
Cost of Materials Consumed	1	50,000
Purchases of Stock-in-trade		5,00,000
Other Expenses	2	3,00,000
Total Expenses		8,50,000
iii) Profit before tax (i-ii)		1,50,000

Additional information:

(i) Trade receivables decrease by Rs 30,000 during the year.

(ii) Prepaid expenses increase by Rs 5,000 during the year.

(iii) Trade payables increase by Rs 15,000 during the year.

(iv) Outstanding expenses payable increased by Rs 3,000 during the year.

(v) Other expenses included depreciation of Rs 25,000.

Compute net cash from operations for the year ended March 31, 2017 by the indirect method.



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5. Compute cash from operations from the following figures:

(i) Profit for the year 2016-17 is a sum of Rs 10,000 after providing for depreciation of Rs 2,000.

(ii) The current assets and current liabilities of the business for the year ended March 31, 2016 and 2015 are as follows:

<i>Particulars</i>	<i>March 31, 2016 (Rs)</i>	<i>March 31, 2017 (Rs)</i>
Trade Receivables	14,000	15,000
Provision for Doubtful Debts	1,000	1,200
Trade Payables	13,000	15,000
Inventories	5,000	8,000
Other Current Assets	10,000	12,000
Expenses payable	1,000	1,500
Prepaid Expenses	2,000	1,000
Accrued Income	3,000	4,000
Income received in advance	2,000	1,000



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6. From the following particulars of Bharat Gas Limited, calculate Cash Flows from Investing Activities. Also show the workings clearly preparing the ledger accounts

Particulars	Note No.	Figures as the end of 2017 (Rs)	Figures as at the end of reporting 2016 (Rs)
II) Assets			
1. Non-current Assets			
a) Fixed assets			
i) Tangible assets	1	12,40,000	10,20,000
ii) Intangible assets	2	4,60,000	3,80,000
b) Non-current investments	3	3,60,000	2,60,000

Notes: 1 Tangible assets = Machinery
2 Intangible assets = Patents

Notes to accounts:

	Figures of current year	Figures of previous year
1. Tangible Assets	<u>12,40,000</u>	<u>10,20,000</u>
Machinery		
2. Intangible Assets	3,00,000	1,00,000
Goodwill	<u>1,60,000</u>	<u>2,80,000</u>
Patents	<u>4,60,000</u>	<u>3,80,000</u>

Non-current Investments

10% long term investments	1,60,000	60,000
Investment in land	1,00,000	1,00,000
Shares of Amartex Ltd.	1,00,000	1,00,000
	<u>3,60,000</u>	<u>2,60,000</u>

(a) Patents were written-off to the extent of Rs 40,000 and some Patents

were sold at a profit of Rs 20,000.

(b) A Machine costing Rs 1,40,000

(Depreciation provided thereon

Rs 60,000) was sold for Rs 50,000.

Depreciation charged during the year

was Rs 1,40,000.

(c) On March 31, 2016, 10% Investments were

purchased for Rs 1,80,000

and some Investments were sold at a profit of

Rs 20,000. Interest on

Investment was received on March 31, 2017.

(d) Amartax Ltd., paid Dividend @ 10% on its

shares.

(e) A plot of Land had been purchased for investment purposes and let out for commercial use and rent received Rs 30,000.

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7. From the following Balance Sheet of Mohan Ltd., prepare cash flow Statement:

Particulars	Note No.	March 31, 2017 (Rs)	March 31, 2016 (Rs)
I) Equity and Liabilities			
1. Shareholders' Funds			
a) Equity share capital		3,00,000	2,00,000
b) Reserves and surplus		2,00,000	1,60,000
2. Non-current liabilities			
a) Long-term borrowings	1	80,000	1,00,000
3. Current liabilities			
Trade payables		1,20,000	1,40,000
Short-term provisions	2	70,000	60,000
Total		7,70,000	6,60,000
II) Assets			
1. Non-current assets			
Fixed assets	3	5,00,000	3,20,000
2. Current assets			
a) Inventories		1,50,000	1,30,000
b) Trade receivables	4	90,000	1,20,000
c) Cash and cash equivalents	5	30,000	90,000
Total		7,70,000	6,60,000

	2017	2016
1. Long-term borrowings		
Bank Loan		
2. Short-term provision	<u>80,000</u>	<u>1,00,000</u>
Proposed dividend		
3. Fixed assets	<u>70,000</u>	<u>60,000</u>
Less: Accumulated Depreciation	6,00,000	4,00,000
(Net) Fixed Assets	<u>1,00,000</u>	<u>80,000</u>
4. Trade receivables	<u>5,00,000</u>	<u>3,20,000</u>
Debtors	60,000	1,00,000
Bills receivables	30,000	20,000
	<u>90,000</u>	<u>1,20,000</u>
5. Cash and cash equivalents		
Bank	<u>30,000</u>	<u>90,000</u>

Additional Information:

Machine Costing Rs 80,000 on which accumulated depreciation was

Rs, 50,000 was sold for Rs 20,000



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8. From the following Balance Sheets of Tiger Super Steel Ltd., prepare Cash Flow Statement:

Particulars	Note No.	March 31, 2017 (Rs)	March 31, 2016 (Rs)
I) Equity and Liabilities			
1. Shareholders' Funds			
a) Share capital	1	1,40,000	1,20,000
b) Reserves and surplus	2	22,800	15,200
2. Current Liabilities			
a) Trade payables	3	21,200	14,000
b) Other current liabilities	4	2,400	3,200
c) Short-term provisions	5	28,400	22,400
		2,14,800	1,74,800
II) Assets			
1. Non-Current Assets			
a) Fixed assets			
i) Tangible assets	6	96,400	76,000
ii) Intangible assets		18,800	24,000
b) Non-current investments		14,000	4,000
2. Current Assets			
a) Inventories		31,200	34,000
b) Trade receivables		43,200	30,000
c) Cash and Cash Equivalents		11,200	6,800
		2,14,800	1,74,800

Notes to accounts:

1. Share Capital	2017	2016
Equity share capital	1,20,000	80,000
10% Preference share capital	20,000	40,000
	1,40,000	1,20,000
2. Reserves and surplus		
General reserve	12,000	8,000
Balance in statement of profit and loss	10,800	7,200
	22,800	15,200
3. Trade payables		
Bills payable	21,200	14,000
4. Other current liabilities		
Outstanding expenses	2,400	3,200
5. Short-term provisions		
Provision for taxation	12,800	11,200
Proposed dividend	15,600	11,200
	28,400	22,400
6. Tangible assets		
Land and building	20,000	40,000
Plant	76,400	36,000
	96,400	76,000

Additional Information:

Depreciation Charge on Land & Building Rs

20,000, and Plant Rs 10,000

during the year.



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9. From the following information, prepare cash flow statement:

Particulars	Note No.	31st March 2013 Rs.	31st March 2014 Rs.
I. Equity and Liabilities			
1. Shareholders' Funds			
a) Share capital		7,00,000	5,00,000
b) Reserve and surplus		4,70,000	2,50,000
2. Non-current Liabilities (8% Debentures)		4,00,000	6,00,000
3. Current Liabilities			
Trade payables		9,00,000	6,00,000
Total		24,70,000	19,50,000

II. Assets			
1. Non-current assets			
Fixed assets			
i) Tangible		7,00,000	5,00,000
ii) Intangible-Goodwill		1,70,000	2,50,000
2. Current assets			
a) Inventories		6,00,000	5,00,000
b) Trade Receivables		6,00,000	4,00,000
c) Cash and cash equivalents		4,00,000	3,00,000
Total		24,70,000	19,50,000

Additional Information:

Depreciation Charge on Plant amount to Rs 80,000.



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10. From the following Balance Sheet of Yogeta Ltd., prepare cash flow statement:

Particulars	Note No.	31st March 2017 (Rs)	31st March 2016 (Rs)
I. Equity and Liabilities			
1. Shareholders' Funds			
a) Share capital	1	4,00,000	2,00,000
b) Reserve and surplus (Surplus)		2,00,000	1,00,000
2. Non-current Liabilities			
Long-term borrowings	2	1,50,000	2,20,000
3. Current Liabilities			
a) Short-term borrowings (Bank overdraft)		1,00,000	—
b) Trade payables		70,000	50,000
c) Short-term provision (Provision for taxation)		50,000	30,000
Total		9,70,000	6,00,000
II. Assets			
1. Non-current assets			
Fixed assets			
Tangible		7,00,000	4,00,000
2. Current assets			
a) Inventories		1,70,000	1,00,000
b) Trade Receivables		1,00,000	50,000
c) Cash and cash equivalents		—	50,000
Total		9,70,000	6,00,000

Notes to Accounts:
Particulars

	31st March 2017 (Rs)	31st March 2016 (Rs)
1. Share capital		
a) Equity share capital	3,00,000	2,00,000
b) Preference share capital	1,00,000	—
	<u>4,00,000</u>	<u>2,00,000</u>
2. Long-term borrowings		
Long-term loan	—	2,00,000
Loan from Rahul	1,50,000	20,000
	<u>1,50,000</u>	<u>2,20,000</u>

Additional Information:

Net Profit for the year after charging Rs 50,000 as Depreciation was Rs 1,50,000. Dividend paid on Share was Rs 50,000, Tax Provision created during the year amounted to Rs 60,000.



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11. Following is the Financial Statement of Garima Ltd., prepare cash flow statement:

Particulars	Note No.	31st March 2017 (Rs)	31st March 2016 (Rs)
I. Equity and Liabilities			
1. Shareholders' Funds			
a) Share capital	1	4,40,000	2,80,000
b) Reserve and surplus (Surplus)	2	40,000	28,000
2. Current Liabilities			
a) Trade payables		1,56,000	56,000
b) Short-term provisions (Provision for taxation)		12,000	4,000
Total		6,48,000	3,68,000
II. Assets			
1. Non-current assets			
Fixed assets			
Tangible		3,64,000	2,00,000
2. Current assets			
a) Inventories		1,60,000	60,000
b) Trade receivables		80,000	20,000
c) Cash and cash equivalents		28,000	80,000
d) Other current assets		16,000	8,000
Total		6,48,000	3,68,000

Notes to Accounts:

Particulars

	31st March 2017 (Rs)	31st March 2016 (Rs)
1. Share capital		
a) Equity share capital	3,00,000	2,00,000
b) Preference share capital	<u>1,40,000</u>	<u>80,000</u>
	4,40,000	2,80,000
2. Reserve and surplus		
Surplus in statement of profit and loss at the beginning of the year	28,000	
Add: Profit of the year	16,000	
Less: Dividend	4,000	
	<u>40,000</u>	
Profit at the end of the year		

Additional Information:

1. Interest paid on Debenture Rs 600

2. Dividend paid during the year Rs 4,000

3. Depreciation charged during the year Rs
32,000



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12. From the following Balance Sheet of Computer India Ltd., prepare cash flow statement.

Particulars	Note No.	31st March 2017 (Rs)	31st March 2016 (Rs)
I. Equity and Liabilities			
1. Shareholders' Funds			
a) Share capital		50,000	40,000
b) Reserve and surplus-Surplus	1	3,700	3,000
2. Non-Current Liabilities			
10% Debentures		6,500	6,000
3. Current liabilities			
a) Short-term borrowings	2	6,800	12,500
b) Trade payables		11,000	12,000
c) Short-term provisions	3	10,000	8,000
Total		88,000	81,500
II. Assets			
1. Non-current assets			
a) Fixed assets	4	25,000	30,000
2. Current assets			
a) Inventories		35,000	30,000
b) Trade receivables		24,000	20,000
c) Cash and cash equivalents-cash		3,500	1,200
d) Other current assets-prepaid exp.		500	300
Total		88,000	81,500

Notes to Accounts:

Particulars	31st March 2017 (Rs)	31st March 2016 (Rs)
1. Reserve and surplus		
i) Balance in statement of profit and loss	1,200	1,000
ii) General reserve	<u>2,500</u>	<u>2,000</u>
	3,700	3,000
2. Short-term borrowings		
Bank overdraft	6,800	12,500
3. Short-term provisions		
i) Provision for taxation	4,200	3,000
ii) Proposed dividend	<u>5,800</u>	<u>5,000</u>
	10,000	8,000
4. Fixed Assets:		
Fixed Assets	40,000	41,000
Less Accumulated Depreciation	<u>(15,000)</u>	<u>(11,000)</u>
	25,000	30,000

Additional Information:

Interest paid on Debenture Rs 600



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