

CASH FLOW STATEMENT

1. X Ltd. made a profit of Rs.4,75,000 after considering the following items:

Provision for tax made during the year	44,000
Preliminary expenses written off	5,000
Depreciation on fixed assets	50,000
Loss on sale of machinery	16,000
Provision for Doubtful debts	10,000
Gain on sale of Land	7,500

ADDITIONAL INFORMATION:

Particulars	2013 Rs.	2012 Rs.
Deferred Tax Liability(Net)	10,000	25,000
Trade Receivables	78,000	52,000
Prepaid Expenses	3,000	2,000
Trade Payables	51,000	40,000
Expenses Payable	20,000	34,000

Tax paid during the year was Rs.50,000.

Calculate cash from Operating Activities.

2. From the following information, calculate net cash from operations:

Particulars	Rs.
Operating profit after Provision for tax of Rs.1,53,000	6,28,000
Insurance proceeds from the famine settlement	1,00,000
Proposed Dividend for the current year	72,000
Depreciation	1,40,000
Loss on sale of machinery	30,000
Profit on sale of investments	20,000
Dividend received on investments	6,000
Decrease in current assets(other than cash and cash equivalents)	10,000
Increase in current liabilities	1,51,000
Increase in current assets(other than cash and cash equivalents)	6,00,000
Decrease in current liabilities	64,000
Income tax paid	1,18,000
Refund of income tax received	3,000

3. From the following particulars of R Ltd., calculate Cash Flows from Financing Activities:

Particulars	2006	2007
Equity Share Capital	6,00,000	10,00,000
18% Preference Share Capital	4,00,000	3,00,000
Securities Premium	1,00,000	2,60,000
14% Debentures	2,00,000	2,50,000
Discount on debentures	5,000	6,000
Underwriting commission on issue of shares	----	20,000

Additional Information:

1. Dividend on preference shares and an interim dividend @ 15% were paid on equity shares on March 31, 2007.
2. Preference shares were redeemed on March 31, 2007 at a premium of 5%. Such premium has been provided out of profit.
3. New shares and debentures were issued on March 31, 2007.

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

Assets	2006	2007
Goodwill	1,00,000	3,00,000
Patents	2,80,000	1,60,000
Machinery	10,20,000	12,40,000
10% Long Term Investments	60,000	1,60,000
Investment in Land	1,00,000	1,00,000
Shares of Amartax Ltd.	1,00,000	1,00,000

Additional Information:

1. Patents are written off to the extent of Rs.40,000 and some patents were sold at a profit of Rs.20,000.
2. 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.
3. On March 31, 2007, 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, 2007.
4. Amartax Ltd. paid dividend @ 10% on its shares.
5. A plot of land was purchased out of surplus funds for investment purposes and let out for commercial use and rent received Rs.30,000.

5. From the following Balance Sheet of surya Ltd., as on 31st March, 2012 and 2011, prepare a statement of cash flow:

Particulars	Note No.	2012 Rs.	2011 Rs.
I. Equity and Liabilities			
Shareholder's Funds:			
Share Capital		4,75,000	4,00,000
Reserves and Surplus	1	1,32,000	(10,000)
Non Current Liabilities:			
Long Term Borrowings	2	2,50,000	2,00,000
Current Liabilities:			
Trade Payables		1,10,000	50,000
Short Term Provision	3	16,000	10,000
Total		9,83,000	6,50,000
II. Assets			
Non Current Assets:			
Fixed Assets	4	4,52,000	1,70,000
Non Current Investments		45,000	40,000
Other Non Current Assets	5	12,000	16,000
Current Assets:			
Inventory		2,00,000	1,50,000
Trade receivables		56,000	1,76,000
Cash and Cash equivalents		2,14,000	94,000
Other Current Assets		4,000	4,000
Total		9,83,000	6,50,000

Notes:	2012	2011
(1) Reserve and Surplus:		
Securities Premium	60,000	-----
Profit and Loss balance	<u>72,000</u>	<u>(10,000)</u>
	<u>1,32,000</u>	<u>(10,000)</u>
(2) Long Term Borrowings:		
15% Debentures	<u>2,50,000</u>	<u>2,00,000</u>
(3) Short Term Provisions:		
Provision for Doubtful debts	<u>16,000</u>	<u>10,000</u>
(4) Fixed Assets:		
Less: Accumulated Depreciation	<u>48,000</u>	<u>30,000</u>
	<u>4,52,000</u>	<u>1,70,000</u>

(5) Other Non Current Assets:

Discount on Issue of Debentures	<u>12,000</u>	<u>16,000</u>
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(6) Other Current Assets:

Discount on Issue of Debentures	<u>4,000</u>	<u>4,000</u>
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Additional Information:

- Dividend paid during the year Rs. 36,000.
- Investments costing Rs.10,000 were sold at a profit of 40%.
- Fixed assets costing Rs. 20,000(accumulated depreciation Rs.8,000) were sold for Rs.17,000.
- Additional debentures amounting to Rs.50,000 were issued at par on 1st August,2011.
Interest on debentures has been paid regularly.

6. Following are the balance sheets of Sewak Ltd. as on 31.3.2012 and 31.3.2011:

Particulars	Note No.	2012 Rs.	2011 Rs.
I. Equity and Liabilities			
Shareholder's Funds:			
Share Capital		7,00,000	4,00,000
Reserves and Surplus	1	(3,20,000)	(50,000)
Non Current Liabilities:			
Long Term Borrowings	2	4,00,000	2,00,000
Current Liabilities:			
Trade Payables		1,50,000	1,10,000
Other Current Liabilities	3	20,000	10,000
Total		9,50,000	6,70,000
II. Assets			
Non Current Assets:			
Fixed Assets	4	5,00,000	3,00,000
Non Current Investments		1,40,000	2,00,000
Other Non Current Assets	5	12,000	----
Current Assets:			
Inventory		1,00,000	50,000
Trade receivables		1,70,000	1,00,000
Cash and Cash equivalents		25,000	20,000
Other Current Assets		3,000	-----
Total			

Notes:	31.3.2012	31.3.2011
(1) Reserves and Surplus:		
Profit and Loss Balance	<u>(3,20,000)</u>	<u>(50,000)</u>
(2) Long Term Borrowings:		
9% Debentures	<u>4,00,000</u>	<u>2,00,000</u>
(3) Other Current Liabilities:		
Outstanding Expenses	<u>20,000</u>	<u>10,000</u>
(4) Other Non Current Assets:		
Share Discount	<u>12,000</u>	<u>-----</u>
(5) Other Current assets		
Share Discount	<u>3,000</u>	<u>-----</u>

Additional Information:

- (1) Included in the fixed assets was a piece of machinery costing Rs.70,000 on which depreciation charged was Rs.40,000 and it was sold for Rs.30,000. During the year Rs.1,40,000 depreciation was charged on fixed assets.
- (2) In April,2011, shares for Rs.3,00,000 were issued at 5% discount.
- Prepare a Cash Flow Statement.

7. Prepare a Cash Flow Statement from the following:

STATEMENT OF PROFIT AND LOSS
(for the year ended 31st March,2012)

Particulars	Note No.	Amount (Rs.)
I. Revenue from Operations		25,40,000
II. Expenses:		
Cost of Material Consumed		20,60,000
Employee Benefit Expenses		1,36,000
Finance Costs	1	20,000
Depreciation and Amortization Expenses		54,000
Other Expenses	2	16,000
Total Expenses		<u>22,86,000</u>
III. Profit before Tax(I-II)		2,54,000
Provision for Tax		34,000
Profit after Tax		<u>2,20,000</u>

Notes:

(1)	Finance Costs:	
	Interest on Debentures	<u>20,000</u>
(2)	Other Expenses:	
	Goodwill written off	<u>16,000</u>

BALANCE SHEET as on