

**Cashflow Statement**

**Q.1** Following are the Balance sheets of Ajay Ltd.

<b>Liabilities</b>	<b>31/12/18</b>	<b>31/12/19</b>	<b>Assets</b>	<b>31/12/18</b>	<b>31/12/19</b>
Share Capital	3,00,000	4,00,000	Plant & Machinery	2,00,000	1,80,000
Profit & Loss A/c	2,00,000	2,60,000	Investment	30,000	35,000
Bank Loan	1,00,000	50,000	Stock	2,35,000	2,50,000
Creditors	1,30,000	95,000	Debtors	2,40,000	2,55,000
			Cash & Bank	25,000	85,000
	<b>7,30,000</b>	<b>8,05,000</b>		<b>7,30,000</b>	<b>8,05,000</b>

Additional Information:

- 1 During the year, Company issued equity shares of ₹ 1,00,000.
  - 2 Company repaid Bank Loan to the extent of ₹ 50,000 & purchased investment worth ₹ 5,000.
  - 3 Part of the Plant and machinery was sold at book value ₹ 20,000.
- Prepare Cash flow statement for the year 2019.

**Q.2** Following are the Balance sheets of XYZ Co. Ltd.

<b>Liabilities</b>	<b>31/12/18</b>	<b>31/12/19</b>	<b>Assets</b>	<b>31/12/18</b>	<b>31/12/19</b>
Share Capital	1,00,000	1,00,000	Plant & Machinery	1,50,000	1,60,000
Profit & Loss A/c	50,000	1,18,000	Investment	40,000	30,000
Debentures	1,50,000	1,00,000	Stock	85,000	88,000
Creditors	65,000	52,000	Debtors	68,000	50,000
Bills Payable	16,000	18,000	Cash & Bank	30,000	53,000
			Preliminary expenses	8,000	7,000
	<b>3,81,000</b>	<b>3,88,000</b>		<b>3,81,000</b>	<b>3,88,000</b>

Additional Information :

- 1 During the year, Company purchased Plant & Machinery worth ₹ 25,000 on 31/12/2019.
  - 2 Company sold Investment costing ₹ 10,000 at ₹ 8,000.
  - 3 Depreciation was provided on machinery @10% p.a.
  - 4 Preliminary expenses ₹ 1,000 was w/off.
- Prepare Cash flow statement for the year 2019.

**Q.3** From the Balance sheets of Varun Ltd. and the additional information provided, prepare Cash flow Statement and Statement showing cash from operation for the year ended 31<sup>st</sup> December, 2019.

<b>Liabilities</b>	<b>31/12/18</b>	<b>31/12/19</b>	<b>Assets</b>	<b>31/12/18</b>	<b>31/12/19</b>
Equity Share Capital	30,000	40,000	Goodwill	10,000	6,000
7% Pref. Share Capital	15,000	10,000	Machinery	28,000	37,800
General Reserve	4,000	7,000	Investment (long term)	2,000	3,000
Profit & Loss A/c	3,000	4,800	Debtors	14,000	16,000
Creditors	5,500	8,300	Stock	7,700	11,900
Bills Payable	2,000	1,600	Bills Receivable	2,000	1,000
Provisions for tax	8,200	10,000	Cash & Bank	4,000	6,000
	<b>67,700</b>	<b>81,700</b>		<b>67,700</b>	<b>81,700</b>

## Additional Information:

- 1 Machinery with a written down value of ₹ 5,000 was sold for ₹ 3,000. Depreciation charged in 2019 on Machinery was ₹ 4,000.
- 2 Income Tax of ₹ 7,500 was paid in 2019 and charged against Provision for tax.
- 3 Interim dividend of ₹ 2,000 was paid in 2019.
- 4 Investments costing ₹ 500 were sold for ₹ 800 on 10.05.2019 and on 10.07.2019 further investments of ₹ 1,500 were purchased.

**Q.4** From the following Balance Sheets of BSS Ltd., prepare the Cash Flow statement for the year ended 31-3-2019.

<b>Liabilities</b>	<b>31-3-2018</b>	<b>31-3-2019</b>	<b>Assets</b>	<b>31-3-2018</b>	<b>31-3-2019</b>
Equity Share Capital	22,50,000	26,25,000	Goodwill	4,50,000	3,52,500
General Reserve	1,50,000	2,25,000	Machinery	6,75,000	14,35,500
Capital Reserve	--	1,87,500	Land	7,50,000	5,62,500
Profit and Loss A/c	1,35,000	2,02,500	Investments	75,000	2,62,500
Creditors	3,30,000	4,87,500	Stock	6,37,500	5,85,000
Provision for Tax	2,10,000	2,40,000	Cash and Bank	1,27,500	2,07,000
Proposed Dividend	2,02,500	2,47,500	Bills Receivable	1,12,500	1,35,000
			Debtors	4,50,000	6,75,000
	<b>32,77,500</b>	<b>42,15,000</b>		<b>32,77,500</b>	<b>42,15,000</b>

## Additional Information:

- 1 During the year Machinery was sold for ₹ 90,000 (W.D.V. ₹ 1,12,500)
- 2 During the year Depreciation provided on Machinery was ₹ 1,35,000.
- 3 Profit on Sale of Land was transferred to Capital Reserve.
- 4 Dividend received on Investment was ₹ 15,750.

**Q.5** The following are the Balance Sheets of Archana Polygraph Limited as on 31st Dec, 2018 and 2019.

<b>Liabilities</b>	<b>31/12/18</b>	<b>31/12/19</b>	<b>Assets</b>	<b>31/12/18</b>	<b>31/12/19</b>
Equity Share Capital	1,20,000	1,20,000	Land	2,10,000	2,70,000
Preference Share Capital	90,000	60,000	Building	2,85,000	2,70,750
Debentures	3,00,000	3,30,000	Stock	17,880	37,300
General Reserve	30,000	39,000	Debtors	43,560	39,480
Capital Red. Reserve	--	30,000	Investments	18,000	8,000
Profit & Loss A/c	15,240	28,080	Bank Balance	21,840	5,640
Outstanding expenses	9,360	11,040	Discount on issue		
Bills Payable	3,120	5,100	of Deb.	--	3,000
Creditors	28,560	10,950			
	<b>5,96,280</b>	<b>6,34,170</b>		<b>5,96,280</b>	<b>6,34,170</b>

## Other Information:

- i Company had paid interim dividend of ₹ 6,000 on equity shares.
- iii Income tax paid during the year is ₹ 25,000.
- iv Part of the Investments were sold at ₹ 11,000.

Prepare Cash Flow Statement for the year ended 31st December, 2019.

**Q.6** The following are Balance Sheets of a company as on 31st December, 2018 and 2019.

<b>Liabilities</b>	<b>31/12/18</b>	<b>31/12/19</b>	<b>Assets</b>	<b>31/12/18</b>	<b>31/12/19</b>
Share Capital	30,000	40,000	Plant & Machinery	40,000	45,000
Securities Premium	--	1,000	Less : Depreciation	14,000	15,000
Profit and Loss A/c	10,000	10,000	Net	<u>26,000</u>	<u>30,000</u>
Profit for the year	--	20,000	Property	15,000	25,000
Debentures	15,000	10,000	Furniture	--	1,800
Profit on Redemption of Debentures	--	200	Shares in Subsidiary Co.	2,000	2,000
Creditors	8,000	7,000	Loan to Sub. Co.	--	1,500
Provision for Tax	5,000	10,000	Stock	19,000	23,000
Proposed Dividend	1,500	2,000	Debtors	10,000	15,000
Unclaimed Dividend	6,000	4,000	Prepaid expenses	500	400
	<b>75,500</b>	<b>1,04,200</b>	Bank Balance	3,000	5,500
				<b>75,500</b>	<b>1,04,200</b>

Additional Information:

- Plant costing ₹ 5,000, (W.D.V. ₹ 2,000) was sold for ₹ 1,000.
- Dividend paid during the year (including a part of unclaimed dividend) amounted to ₹ 3,500.
- Interest paid on Debentures was ₹ 1,500.
- Depreciation is provided @ 10% on Furniture.

You are required to prepare a Cash Flow Statement from the above information.

**Q.7** Telestar Ltd. gives you the following Balance Sheets for the year ended 31<sup>st</sup> March, 2018 and 2019. Prepare a Cash Flow statement for the year ended 31<sup>st</sup> March, 2019 as per AS-3 by indirect method.

<b>Liabilities</b>	<b>31-3-18</b>	<b>31-3-19</b>	<b>Assets</b>	<b>31-3-18</b>	<b>31-3-19</b>
	₹	₹		₹	₹
Equity Share Capital	1,20,000	1,20,000	Land	2,10,000	2,70,000
5% Pref. Share Capital	90,000	60,000	Building	2,85,000	2,70,000
General Reserve	30,000	42,330	Stock	27,000	36,300
Profit & Loss A/c	15,240	28,080	Debtors	40,440	38,460
Provision for Tax	17,000	8,000	Prepaid Expenses	25,880	17,000
Creditors	3,37,920	3,81,990	Bank Balance	15,480	3,240
			Misc. Expenditure	6,000	5,400
<b>Total</b>	<b>6,10,160</b>	<b>6,40,400</b>	<b>Total</b>	<b>6,10,160</b>	<b>6,40,400</b>

Other information for the year ended 31st March, 2019:

- The Company has paid Interim dividend of 5% on Equity shares.
- Income Tax paid during the year ₹ 15,000.

**Q. 8** From the following Balance Sheets of XYZ Ltd. as on 31-3-2018 and 31-3-2019, prepare cash flow statement for the year ended 31-3-2019 as per AS-3 by indirect method:

Liabilities	31-3-18	31-3-19	Assets	31-3-18	31-3-19
	₹	₹		₹	₹
Equity Share Capital	45,00,000	52,50,000	Land	15,00,000	11,50,000
General Reserve	3,00,000	5,00,000	Machinery	13,50,000	28,70,000
Capital Reserve	-	3,00,000	Investments	9,00,000	7,00,000
Profit & Loss A/c	3,00,000	4,00,000	Stock	14,00,000	16,00,000
Creditors	6,00,000	9,00,000	Debtors	9,00,000	13,50,000
Provision for Tax	5,00,000	5,50,000	Bills Receivables	2,45,000	2,90,000
Proposed Dividend	3,95,000	4,50,000	Cash/Bank Balance	3,00,000	3,90,000
	<b>65,95,000</b>	<b>83,50,000</b>		<b>65,95,000</b>	<b>83,50,000</b>

Additional Information for the year ended 31<sup>st</sup> March, 2019:

- 1) During the year Machinery was sold for ₹ 2,00,000 (W.D.V. ₹ 2,25,000).
- 2) During the year Depreciation provided on Machinery was ₹ 3,00,000.
- 3) Profit on sale of Land was transferred to Capital Reserve.
- 4) Interim Dividend paid during the year ₹ 2,00,000.
- 5) Profit on sale of Investment was transferred to General Reserve.
- 6) Income tax paid during the year 2019 is ₹ 4,50,000.