

Cashflow Statement

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

| Liabilities | 31/12/18 | 31/12/19 | Assets | 31/12/18 | 31/12/19 |
|--------------------|-----------------|-----------------|-------------------|-----------------|-----------------|
| 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 |
| | 7,30,000 | 8,05,000 | | 7,30,000 | 8,05,000 |

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.

| Liabilities | 31/12/18 | 31/12/19 | Assets | 31/12/18 | 31/12/19 |
|--------------------|-----------------|-----------------|----------------------|-----------------|-----------------|
| 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 |
| | 3,81,000 | 3,88,000 | | 3,81,000 | 3,88,000 |

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 31st December, 2019.

| Liabilities | 31/12/18 | 31/12/19 | Assets | 31/12/18 | 31/12/19 |
|------------------------|-----------------|-----------------|------------------------|-----------------|-----------------|
| 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 |
| | 67,700 | 81,700 | | 67,700 | 81,700 |

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.

| Liabilities | 31-3-2018 | 31-3-2019 | Assets | 31-3-2018 | 31-3-2019 |
|----------------------|------------------|------------------|------------------|------------------|------------------|
| 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 |
| | 32,77,500 | 42,15,000 | | 32,77,500 | 42,15,000 |

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.

| Liabilities | 31/12/18 | 31/12/19 | Assets | 31/12/18 | 31/12/19 |
|--------------------------|-----------------|-----------------|-------------------|-----------------|-----------------|
| 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 | | | |
| | 5,96,280 | 6,34,170 | | 5,96,280 | 6,34,170 |

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.

| Liabilities | 31/12/18 | 31/12/19 | Assets | 31/12/18 | 31/12/19 |
|------------------------------------|-----------------|-----------------|--------------------------|-----------------|-----------------|
| 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 |
| | | | Bank Balance | 3,000 | 5,500 |
| | 75,500 | 1,04,200 | | 75,500 | 1,04,200 |

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 31st March, 2018 and 2019. Prepare a Cash Flow statement for the year ended 31st March, 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 | 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 |
| Total | 6,10,160 | 6,40,400 | Total | 6,10,160 | 6,40,400 |

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 |
| | 65,95,000 | 83,50,000 | | 65,95,000 | 83,50,000 |

Additional Information for the year ended 31st 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.