

**UDHNA CITIZEN COMMERCE COLLEGE &
S.P.B. COLLEGE OF BUSINESS ADMINISTRATION &
SMT. DIWALIBEN HARJIBHAI GONDALIA COLLEGE OF BCA & IT**

(Self Financed)

(Managed by Udhna Academy Education Trust)

214, Ranchhod Nagar, Opp. Swaminarayan Temple, Surat-Navsari Road, SURAT-394 210

Class: T.Y.B.Com. (Sem. 5)

Subject: Advanced Accounting & Auditing 6

Cash Flow Statement

Questions for Class Work

Q.1. Calculate cash flow from operating activities from the following details:

	1.4.05	31.3.06.
Profit and loss Account	60000	70000
General reserve	20000	30000
Provision for depreciation on plant	60000	70000
Expenses outstanding	10000	6000
Goodwill	40000	20000
Debtors	80000	70000

One item of plant costing Rs. 40000 having book value Rs. 28000 was sold for Rs. 36000 during the year. (M.A.2007)

Q.2 Calculate cash flow from operating activities from the following details:

	31.3.19	31.3.20
Debtors	40000	36000
Creditors	16000	22000
Bills receivable	8000	10500
Bills payable	6000	5000
Outstanding expenses	1200	1600
Stock	25000	30000

Q.3 Calculate cash flow from investing activities from the following details:

Investment on 1st April 2019 Rs. 125000

Investment on 31.3 2020 Rs. 525000

During the year, few investments were purchased worth Rs. 540000 and few investments were sold at 20% loss on its book value.

Q.4 Balance sheet of Malav Ltd. as on 31-3-2023 and 31-3-2024 are under

Particulars	31-3-2023 (Rs.)	31-3-2024 (Rs.)
[I] Equity and Liabilities		
(1) Share holders Funds :		
(a) Share capital :		
Equity Share Capital Each of Rs. 100 Paid	8,00,000	12,00,000
(b) Reserve and Surplus :		
Securities premium	42,000	64,000
General Reserve	1,50,000	70,000
Profit and Loss A/C	1,05,000	2,01,000
(2) Non-current Liabilities:		
(a) Long term Liabilities		
12% Debentures	2,20,000	4,20,000
(3) Current Liabilities :		
(a) Trade payables :		
Creditors	1,26,000	1,68,000
(b) Short term Provisions :		
Provisions for tax	1,10,000	70,000
Total	15,53,000	21,93,000
[II] Assets :		
(1) Non-Current Assets :		
(a) Fixed Assets		
(i) Tangible Assets :		
Land and Building	3,50,000	8,00,000
Machinery	5,62,000	7,10,000
Furniture	63,000	56,700
(ii) Intangible Assets :		
Patents	1,12,000	96,000
(b) Other Non-Current Assets		
Debenture discount	5,000	5,000
(2) Current Assets :		
(a) Inventories :		
Stock	2,00,000	1,60,000
(b) Trade receivables :		
Debtors	2,00,000	3,00,000
(c) Cash and Cash Equivalents :		
Cash and Bank Balance :	61,000	65,300
Total	15,53,000	21,93,000

Additional Information:

- Depreciation written off :
on Land and Building Rs35,000
on machinery Rs. 1,12,400
on Patents : Rs, 16,000
on Furniture: Rs.6,300

2. Machinery of Rs. 1,62,000 was sold at Rs. 1,40,000 during the year.
3. During the year Rs. 62,000 were paid for tax and Rs. 84,000 for dividend
4. During the year, the company has given bonus share in ratio of one bonus share to holder of four equity shares from general reserve. New equity shares were issued at 11% Premium.
5. Debentures were issued at 5% discount.

From the above mentioned information, Prepare Cash Flow Statement as per Accounting Standard No. 3.

Q.5 Following are the balance sheet of the Heena ltd. on 31st March:

	Particulars	31.03.2007	31.03.2008
I	EQUITY AND LIABILITIES		
1.	Shareholders' Funds:		
a.	Share Capital		
	Equity Share capital (Rs. 10)	100000	150000
b.	Reserves and Surplus		
	General Reserve	60000	20000
	Profit and Loss A/c	10000	12000
c.	Money received against share warrants		
2.	Share Application Money pending allotment		
3.	Non-Current Liabilities:		
a.	Long-term borrowings: 10% Debentures	-	50000
b.	Deferred Tax liability (Net)		
c.	Other long term liabilities		
d.	Long-term provisions		
4.	Current liabilities:		
a.	Short-term borrowings		
b.	Trade payables: Creditors	45000	51000
c.	Other current liabilities		
d.	Short-term provisions:		
	Provision for taxation	15000	17000
	Total	230000	300000
II	ASSETS		
1	Non-Current Assets:		
a.	Fixed Assets	130000	223000
1.	Tangible Assets		
2.	Intangible Assets		
b.	Non-Current Investments		
c.	Long-term loans & Advances		
d.	Other Non-Current Assets: Preliminary Expenses	8000	6000
2.	Current Assets:		
a.	Current investments	15000	12000
b.	Inventories	10000	15000
c.	Trade receivable		
	Debtors	55000	35000

d.	Cash and cash equivalents		
	Cash and Bank balance	12000	9000
e.	Short-term loans and advances		
f.	Other Current Assets		
	Total	230000	300000

Additional information :

(1) On 1-4-07 bonus shares at one share for every two share were issued by capitalizing General Reserve. (2) Income Tax Rs. 14000 paid during the year. (3) Interim dividend of Rs. 9000 paid during year. (4) Depreciation Rs. 5000 was provided on fixed assets. (5) Investments costing Rs. 5000 were sold at a profit of Rs. 1000 which profit credit to P and L account.

Prepare cash flow statement, cash from operation and necessary accounts.

(M.A.2009)

Q.6 The following are the balance sheets of Kailaspati ltd. For two years 2006 and 2007:

	Particulars	31.12.2006	31.12.2007
I	EQUITY AND LIABILITIES		
1.	Shareholders' Funds:		
a.	Share Capital		
	Equity Share capital of Rs. 10 each	1200000	2100000
b.	Reserves and Surplus		
	General Reserve	840000	500000
	Capital Reserve	-	60000
	Profit and Loss A/c	360000	450000
c.	Money received against share warrants		
2.	Share Application Money pending allotment		
3.	Non-Current Liabilities:		
a.	Long-term borrowings: 15% Debentures	-	600000
b.	Deferred Tax liability (Net)		
c.	Other long term liabilities		
d.	Long-term provisions		
4.	Current liabilities:		
a.	Short-term borrowings		
b.	Trade payables		
	Sundry Creditors	270000	360000
	Bills payable	240000	108000
c.	Other current liabilities: Staff pension fund	30000	60000
d.	Short-term provisions:		
	Provision for income tax	240000	276000
	Proposed dividend	210000	300000
	Total	3390000	4854000
II	ASSETS		
1	Non-Current Assets:		
a.	Fixed Assets		
1.	Tangible Assets		
	Land and Building	1230000	840000

		Plant and Machinery	360000	780000
2.		Intangible Assets : Goodwill	300000	282000
b.		Non-Current Investments	120000	300000
c.		Long-term loans & Advances		
d.		Other Non-Current Assets		
		Preliminary Expenses	42000	30000
		Debenture Discount	-	36000
2.		Current Assets:		
a.		Current investments		
b.		Inventories	420000	1050000
c.		Trade receivable		
		Debtors	480000	948000
		Bills receivable	78000	252000
d.		Cash and cash equivalents		
		Cash and Banks b/s	360000	336000
e.		Short-term loans and advances		
f.		Other Current Assets		
		Total	3390000	4854000

(1) Land & Buildings having original cost of Rs. 420000 & Written down value Rs. 300000 has been sold for Rs. 480000. Out of the profit on sale the capital profit has been transferred to Capital Reserve and revenue profit has been credited to Profit & Loss Account.

(2) Machinery costing Rs. 510000 was purchased during the year.

(3) Deb. was issued at 10% discount.

(4) The co. issued bonus shares to the existing share holders by capitalizing required sum from general reserve in the proportion of 5:2

(5) Prepaid proposed dividend of the last year & also paid interim dividend of Rs. 72000.

(6) Paid Rs. 216000 as tax for last year.

From the above particulars prepare cash flow statement as per accounting standard no. 3.

(M.A.2008)

Q.7 The following are the Balance Sheets of Ramayan Co. Ltd.

		Particulars	31.03.2009	31.03.2010
I		EQUITY AND LIABILITIES		
	1.	Shareholders' Funds:		
	a.	Share Capital		
		Equity Share capital (Rs. 10 each)	200000	950000
		10% Pref. share capital (Rs. 10 each Rs. 8 paid up)	200000	-
	b.	Reserves and Surplus		
		General Reserve	600000	600000
		Capital Red. Reserve	-	100000
		Profit and Loss A/c (Debit)	-400000	-40000

		Capital Reserve	200000	-
	c.	Money received against share warrants		
	2.	Share Application Money pending allotment		
	3.	Non-Current Liabilities:		
	a.	Long-term borrowing: 15% Debentures	200000	600000
	b.	Deferred Tax liability (Net)		
	c.	Other long term liabilities		
	d.	Long-term provisions		
		Provision for depreciation	200000	600000
	4.	Current liabilities:		
	a.	Short-term borrowings		
	b.	Trade payables		
		Creditors	200000	800000
		Bills Payable	200000	600000
	c.	Other current liabilities: Bank overdraft	200000	-
	d.	Short-term provisions: Provision of Tax	400000	1000000
		Total	2200000	5210000
II		ASSETS		
	1	Non-Current Assets:		
	a.	Fixed Assets	1000000	2200000
	1.	Tangible Assets		
	2.	Intangible Assets		
	b.	Non-Current Investments		
		10% investment	200000	-
	c.	Long-term loans & Advances		
	d.	Other Non-Current Assets		
		Debenture Discount	-	10000
	2.	Current Assets:		
	a.	Current investments		
	b.	Inventories	540000	400000
	c.	Trade receivable : Debtors	460000	600000
	d.	Cash and cash equivalents: Cash and Bank Balance	-	2000000
	e.	Short-term loans and advances		
	f.	Other Current Assets		
		Total	2200000	5210000

Additional Information:

1. Stock was valued at 10% less than its original cost in previous year. Now it is decided to value at cost price. Stock on 31.3.10 is shown as its cost price.
2. In the beginning of current year, the company has redeemed pref. shares at a premium of 8%, after observing necessary legal provisions. For this purpose, the company has transferred required amount to capital Red. Reserve A/c from general reserve A/c.
3. The company has sold off all fixed assets for Rs. 1200000 in the beginning of the year and has credited profit to Capital Reserve Account.

4. The company has given fully paid up bonus share to its equity share holders form Capital Reserve Account.
5. The company has sold off its investments for Rs. 250000.
6. During the year the company has paid Rs.100000 on account of Interim dividend and Rs.200000 for tax.

Prepare cash flow statement as per Accounting Standard No. 3.

(M.A.2011)

Q.8 Prepare cash flow statement on the basis of the following balance sheets of Bible CO. Ltd.:

	Particulars	31.03.2008	31.03.2009
I	EQUITY AND LIABILITIES		
1.	Shareholders' Funds:		
a.	Share Capital: Equity Share capital	50000	60000
	10% Pref. share capital	20000	-
b.	Reserves and Surplus		
	Capital Reserve	-	10000
	General Reserve	25000	10000
	Profit and Loss A/c	5000	7000
	Capital redemption reserve	-	10000
c.	Money received against share warrants		
2.	Share Application Money pending allotment		
3.	Non-Current Liabilities:		
a.	Long-term borrowings: 9% Debentures	-	20000
b.	Deferred Tax liability (Net)		
c.	Other long term liabilities		
d.	Long-term provisions		
4.	Current liabilities:		
a.	Short-term borrowings		
b.	Trade payables:		
	Creditors	8000	9500
	Bills Payable	3000	2000
c.	Other current liabilities: liabilities for expense	2000	3000
d.	Short-term provisions:		
	Provision for taxation	6000	9500
	Proposed Dividend	6000	9000
	Total	125000	150000
II	ASSETS		
1	Non-Current Assets:		
a.	Fixed Assets		
1.	Tangible Assets		
	Land and Buildings	20000	15000
	Machinery	50000	76500
2.	Intangible Assets		
b.	Non-Current Investments	8000	5000

	c.	Long-term loans & Advances		
	d.	Other Non-Current Assets: Preliminary Expenses	2500	1000
		Voluntary retirement payment	6500	12500
	2.	Current Assets:		
	a.	Current investments		
	b.	Inventories	9000	9500
	c.	Trade receivable		
		Debtors	13000	17500
		Bills receivable	7000	6500
	d.	Cash and cash equivalents		
		Cash	9000	6500
	e.	Short-term loans and advances		
	f.	Other Current Assets		
		Total	125000	150000

Additional Information:

1. A piece of land has been sold out for Rs. 15000 (cost Rs.12000) and the balance land was revalued. Capital reserve consisted of profit on sale and profit on revaluation.
2. On 1.4.2008 a plant was sold for Rs. 9000 (original cost Rs. 7000 and WDV Rs. 5000) and Debentures worth Rs. 10000 was issued at par as part consideration for plant worth Rs. 45000 acquired.
3. Part of the investment (cost Rs.5000) was sold for Rs. 7000.
4. Pre-acquisition dividend received Rs. 500 was adjusted against cost of investment.
5. Directors have proposed 15% dividend for the current year.
6. Voluntary Retirement payment of Rs 5000 was adjusted against General Reserve.
7. Income tax liability for the current year was estimated at Rs. 13500.
8. Depreciation at 15% has been written off on plant and Machinery account but no depreciation has been charged on Land and Building.

(M.A.2010)

Q.9 Following are the Balance Sheets of Snehal Ltd. As on 31st Dec. 2005 and 31st Dec. 2006.

		Particulars	31.12.2005	31.12.2006
I		EQUITY AND LIABILITIES		
	1.	Shareholders' Funds:		
	a.	Share Capital		
		Equity Share capital (Rs. 10)	1200000	1600000
		10% redeemable Pref. share capital	800000	600000
	b.	Reserves and Surplus		
		Profit and Loss A/c	370000	304000
		Other Reserve	104000	190000
		Share Premium	20000	60000
	c.	Money received against share warrants		
	2.	Share Application Money pending allotment		
	3.	Non-Current Liabilities:		
	a.	Long-term borrowings: 12% Debentures	100000	50000
	b.	Deferred Tax liability (Net)		
	c.	Other long term liabilities		
	d.	Long-term provisions		

