AS 3 CASH FLOW STATEMENTS

IAS 7 Statement of Cash Flows

Question 1

The following particulars pertain to P LTD

Income statement for the year ended March 31 2009

(Amount in lakh)

Sales revenue 3200

Less: cost of goods sold 2000

1200

Add: Government compensation for loss in riots 50

1,250

Operating expense 790

Interest on debentures 15

Depreciation on fixed assets 210

Cost of issue of debentures return 1 1016

Profit before tax 234

Provision for tax 92

Profit after tax 142

Amount in lakhs

As on 31st March 2008 As on 31st March 2009

Inventories 180 220

Debtors 40 38

Bills Receivable 30 55

Cash in hand and bank 102 248

Creditors 78 95

Bills payable 20 15

Outstanding expense 31 44

Additional Information

The following important transaction have taken place in the year ended March 31 2009:

a) Fully paid equity shares of face value Rs.200 lakh were allotted at premium of 20%

b) 10% defenders for Rs.300 lakh were redeemed at a premium on 2%

c) Land was purchased for Rs.150 lakh and the consideration was discharged by allotment to the vendor of 0% convertible debentures for the amount

d) Dividend for the year ended March 31 2008 amount Rs.100 lakh and it was paid

e) Tax paid during the year total Rs.95 lakh

Prepare cash flow statement for the year ended March 31 2009 using direct method.

Question 2

X LTD at the following summarised balance sheet as at 31st March 2015.

Liabilities Rs. Assets Rs. Capital Stock 375000 Land 200,000

Retained Earnings 122,500 Plant & Machinery 337,500

Bonds payable 125,000 Investments 100,000

Long term loan 127,500 Accounts receivable 150,000

Current Liabilities 75,000 Cash 37,500

Total 825,000 Total 825,000

During 2015 -16, the following transaction to place:

a) A piece of land was purchased for Rs.38750 in cash

b) Bonds payable worth Rs.30000 were paid in cash at face value

c) An additional amount of Rs.100000 were received in cash on issue of equity shares

d) Dividend totalling Rs 46,875 was paid

e) Net income for 2015-16 was Rs.142250 after allowing for depreciation of Rs 47,500

f) Another land was purchased through issue of bonds worth Rs.112500

g) A part of investment portfolio were sold for Rs 64,375 in cash, the transaction in again of Rs 6,875

h) Current liabilities increase to Rs 90,000 as on 31st March 2016

i) Account receivable as on 31st March 2016 total Rs 190000

Prepare statement of cash flow for 2015-16 using indirect method