

Accountancy

CART-A

Q1. ~~The main aim of not-for-profit organisation is to conduct activities for the welfare of the society.~~

(i) ~~'life-time membership fee' is a capital receipt.
It is capitalised and added to Capital Fund in the Liabilities side of the Balance Sheet.~~

Q2. Share of profit = $(10\% \text{ of } ₹ 6,00,000) \times \frac{2}{6}$

$$= \frac{10}{100} \times \frac{10,000}{6,00,000} \times \frac{2}{3}$$

$= ₹ 20,000/-$

03.

~~(c)~~ $\text{sacrificing Ratio} = 18,000 : 6,000$
 $\text{of Kiya \& Neela} \approx 3:1$

$$\text{Share acquired from Kiya} = \frac{3}{4} \times \frac{1}{5} = \frac{3}{20}$$

$$\text{Share from Neela} = \frac{1}{4} \times \frac{1}{5} = \frac{1}{20}$$

New Share ~~before~~ \Rightarrow old share \rightarrow sacrificed share

$$\text{Kiya} = \frac{3}{5} - \frac{3}{20} = \frac{12-3}{20} = \frac{9}{20}$$

$$\text{Neela} = \frac{2}{5} - \frac{1}{20} = \frac{8-1}{20} = \frac{7}{20}$$

$$\text{Kian} = \frac{1}{5} \text{ or } \frac{4}{20}$$

New Ratio \Rightarrow $9:7:4$

Q4. Reserve Capital

(B) It refers to the amount of share capital which the company reserves the right to be called, until it winds up.

It will only be called upon winding up of the company.

Q5. 1. Right to share the future profits of the firm.

(B) (It is assumed that the loan has already been transferred to Realisation A/c)

Q6.

Date	Particulars	Dr (₹)	Cr (₹)
------	-------------	--------	--------

Realisation A/c Dr. 10,000

To C's Capital A/c 10,000

(Being brother's loan taken over by C on dissolution)

08.

Balance Sheet

as at

Q

Particulars	Note No.	£
I EQUITY and LIABILITIES		
1. Shareholders Funds		
(a) Share Capital ✓	1	99,96,000

Notes to accounts	Particulars	£	£
	1. Share Capital		
	AUTHORISED SHARE CAPITAL (2,00,000 equity shares of £ 100 each)	200,00,000	
	ISSUED SHARE CAPITAL (1,00,000 equity shares of £ 100 each)	1,00,00,000	
	SUBSCRIBED SHARE CAPITAL Subscribed and fully paid 99,800 shares of £ 100 each	99,80,000	200 9000 100

~~33.4~~ ~~Particulars~~

Subscribed but not fully paid
(60 shares of \$100 each)

Less: Calls in arrears $(\$100 \times 20)$

✓ 20,000

(4,000)

16,000

99,96,000

~~Ques.~~

Share acquired from C $\Rightarrow \frac{1}{2} \times \frac{1}{3} = \frac{1}{6}$

" " " D $\Rightarrow \frac{1}{2} \times \frac{1}{3} = \frac{1}{6}$

New Share = Old Share - Sacrificed Share

$$\textcircled{A} = \frac{1}{4} - 0 = \frac{1}{4} \text{ or } \frac{3}{12}$$

$$\textcircled{B} = \frac{1}{4} - 0 = \frac{1}{4} \text{ or } \frac{3}{12}$$

$$C = \frac{1}{4} - \frac{1}{6} = \frac{3-2}{12} = \frac{1}{12}$$

$$D = \frac{1}{4} - \frac{1}{6} = \frac{1}{12}$$

$$E \Rightarrow \frac{1}{3} \text{ or } \frac{4}{12}$$

~~New profit sharing~~ \Rightarrow A:B:C:D:E
~~Ratio~~ $\underline{3:3:1:1:4}$

~~Formulae~~

$$\text{Goodwill for E} \Rightarrow \frac{1}{3} \times \underline{\text{£3,00,000}}$$

$$\therefore \underline{\text{£100,000}}$$

Journal

Date	Preculars	Dr	Cr (Debit)	Cr (Credit)
	E's current A/c Dr		1,00,000	
	TD C's Capital A/c			50,000
	TD D's Capital A/c			50,000

09. Warrning notes

~~No of Debentures $\Rightarrow 6,00,000 \times 100$~~ ~~To (~~~~92~~

in the books of ZK Ltd.

Journal

Date	Particulars	Dr	Cr (Debit)	Cr (Credit)
	BANK A/c Dr.	3,80,000		3,80,000
	TO Debenture Application & Allotment A/c (Being debentures issued)		3,80,000	
	Debenture Application & Allotment A/c Dr. 3,80,000			
	Loss on issue of debentures A/c Dr. 40,000			
	Discount on issue of debentures A/c Dr. 20,000			
	TO 9% 9% Debenture A/c	4,00,000		
	TO Premium on Redemption A/c		40,000	
	(Being application money adjusted) (and issue of 4000 debentures)			

Q10.

Calculation of the amt. of Stationery

69
46
65
10/10
25

Amount paid to auditors	(₹)	46,000
Add: Closing balance of auditors		19,000
Opening stock of stationery		25,000
Cash purchases		6,000
		<u>₹ 96,000</u>

Vess: Closing stock of Stationery	(40,000)
Opening balance of auditors	(30,000)
	<u>₹ 26,000</u>

Amts to be debited to
Income & Expenditure A/c

₹ 26,000/-

Balance Sheet

as at 31.03.18

(Extract)

Liabilities	£	Assets	£
Creditors of Stationery	19,000	Stock of Stationery	40,000

011.

Journal



Date	Particulars	Dr	Cr(=)	Cr(=)
20/5/91	Open General Reserve Dr Cr	40,000		
	TO Sation's Capital Dr		24,000	
	TO Taurua's Capital Dr		16,000	
	(Being general reserve distributed)			
	Workers Compensation Fund Dr Cr	35,000		
	Revaluation Dr Cr		5,000	
	TO Workers Compensation Claims Cr		40,000	
	(Being claim of \$40,000 on workers fund)			
	Sation's Capital Dr Cr	3000		
	Taurua's Capital Dr Cr	2000		
	TO Revaluation Dr Cr		5000	
	(Being loss on revaluation distributed)			

Journal

6.4
5.5

Date	Particulars	Dr	Dr (Σ)	Cr (Σ)
	Tamura's Capital A/c Dr TO Satisch's Capital A/c (Being goodwill adjusted)	5000	5000	

~~Q12~~Working Notes

Calculation of gain / sacrifice

Satisch Tamura

$$\text{Old Ratio} = \frac{6}{10} : \frac{4}{10}$$

$$\text{New Ratio} = \frac{5}{10} : \frac{5}{10}$$

$$\text{Sacrifice} \rightarrow \frac{1}{10} \left(\frac{1}{10} \right) \leftarrow \text{gain}$$

Q12

Dr.

Hawth's Executors A/c

Cr.

Date	Particulars	Dr	
2015 Nov 31	To Bank A/c	22,500	
"	To Balance cd	67,500	
		90,000	
2016 Nov 31	To Bank A/c	34,650	
"	To Balance cd	45,000	
		5	
		79,650	
2017 Nov 31	By To Bank A/c	30,600	
	To Balance cd	22,500	
		53,100	
2018 Nov 31	To Bank A/c	26,550	
"		26,550	

Date	Particulars	Cr	
2015 Nov 31	By Hawth's Capital A/c	90,000	
	By		
		90,000	
2016 Nov 31	By Bank A/c	10,500	
"	By Balance bd	67,500	
"	By Interest A/c	42,150	
		79,650	
2017 Nov 31	By Balance bd	45,000	
:	By Interest A/c	9100	
		53,100	
2018 Nov 31	By Balance bd	22,500	
"	By Interest A/c	4,050	
		26,550	

Q13.

Dr.

Realisation A/c

Cr.

C/C

Particulars	₹	Particulars	₹
TD Stock	24,000	By Trade creditors	42,000
TD Debtors	19,000	By Employees' Provident Fund A/c	60,000
TD Furniture	40,000	By Mr. Ashish's loan	9,000
TD Plant	210,000	By Investment Fluctuation Reserve Fund A/c	4,000
TD Investments	32,000	By Ashish's Capital A/c (Yarntex)	38,000
TD Ashish's Capital A/c (Mr. Ashish's loan)	9,000	By Bank A/c	
TD Karan's Capital A/c (Remuneration)	12,000	• Debtors	18,500
TD Bank A/c (Employee Provident Fund)	60,000	• Plant	2,31,000
TD Gain on Realisation transferred to:		• Stock	15,840
Ashish's Capital A/c : 12,012			265,340
Karan's Capital A/c : 3,008		By Karan's Capital A/c	7,680
	20,020	(Stock)	
			4,26,020
	4,26,020		

Q4. Working Notes

1. Calculation on opening capital

	Abhil	Bobby	Vineet
Opening Capital	8,00,000	6,00,000	4,00,000
Less: Profit Share	(60,000)	(60,000)	(30,000)
	7,40,000	5,40,000	3,70,000
Add: Drawings	+ 2,10,000	1,00,000	1,00,000
	9,80,000	6,40,000	4,70,000

2.

Intt on
capital
@ 10% pa

$$\frac{98,000}{100} \times 12 \times \frac{11}{2} = 64,000 \text{ E 47,000.}$$

4.

2. Intt on Drawings

$$\text{Abhil} \Rightarrow \frac{3}{100} \times 20,000 \times 12 \times \frac{11}{2} \times \frac{1}{12}$$

$$\Rightarrow \text{E } 600 \times 11$$

$$\Rightarrow \text{E } 6,600 / -$$

~~$$\text{Bobby} \Rightarrow 50,000 \times 2 \times \frac{12}{12} \times \frac{1}{12} \times \frac{3}{100}$$

$$\Rightarrow \$4500/-$$~~

~~$$\text{Vineet} \Rightarrow \$100,000 \times 5 \times \frac{12}{12} \times \frac{6}{100}$$

$$= \$30,000.$$~~

4-

~~statement of adjustment~~

Particulars	Amount Due			amt Encld			Bal. Due
	Ahuu	Bobby	Vineet	Ahuu	Bobby	Vineet	
1. Intt on capital	96000	64000	47000				098
2. Intt on Seawig	(600)	(4500)	(2500)				64
3. Profit share.							47
TOTAL				60000	60000	30000	20900

Q4.

Statement of Adjustment

Particulars	Amount Due			Amount Entered		
	Naveen	Oadi	Rajesh	Naveen	Oadi	Rajesh
1. Interest on Capital	-	-	-	48,000	43,200	28,800
2. Salary	18,000	18,000	-	-	-	-
2. Deficit from (2016-17) (2017-18)	15,000	10,000	5,000	-	-	-
	15,000	9,000	6,000	-	-	-
TOTAL	58,000	51,000	11,000	48,000	43,200	28,800
Less: Am't Entered	(48,000)	(43,200)	(28,800)			
	10,000	7,800	17,200			

For 2016-17

(a)

(b)

(c)

For 2017-18

(d)

Int'l on capital $\Rightarrow +60,000$ (Salary) $\Rightarrow \underline{(30,000)}$ Profit to be distributed $\rightarrow \underline{30,000}$

60,000

(30,000)30,000

$$\begin{array}{r} 48 \\ 43,200 \\ 28,800 \\ \hline 10,000 \\ 7,800 \\ 17,200 \\ \hline \end{array}$$

OS

Income and Expenditure A/c

Dr. for the year ended 31-03-18

Cr.

Particulars Expenditure

Dr.

Income

Dr.

To Salaries 64,500

Add: O/S salary 2,000

72,500

By Inheritance (WN 1)

Investments 2400

To Miscellaneous Expenses

52,000

Add: Bad debts 1600

4000

To Telephone Charges

12,000

To Donations

17,000

To Printing and
Stationery

1,000

Add: Opening stock 12,000

31,000

Less: Closing stock (15,000)

16,000

To Surplus

2,46,100

To Subscriptions

(WN 2)

3,00,000

To Rent Received

70,000

Add: Accrual 2,000

72,000

No sale of old
newspaper

600

398,600

3,98,600

Tarval

Date	Particulars	Dr	Cr (Debit)	Cr (Credit)
2018 April 1.	Rayesh's current A/c Dr to Nasreen's ^{current} A/c Cr		17,000	
	to Rayesh's current A/c			10,000
	(Being adjustment passed)			7,000

Working Notes

1. Interest on Investments

$$\begin{array}{r} 62 \\ \times 2\% \\ \hline 124 \end{array} \times 1,00,000$$

£

£ 4,000/-

2. Subscriptions

£

3,00,000

Add: Outstanding £ 0,000
on 31.03.16

3,20,000

less: Subscription

in Advance

(15,000)

£ 3,05,000 / -

Q16.

Dr.

Revaluation A/c

a.

1

Particulars

RS

Particulars

RS

To Plant & Machinery

6000

By Bank Dr.

4000

To Bad Debts

1000

By Loss on Revaluation
transferred to:

To Revision for Bad Debts

3000

Nehan's Capital A/c : 3000

Viray Capital A/c : 2000

Nitya's Capital A/c : 1000

6,000

10,000

10,000

Partner's Capital A/c

Dr.

a.

Particulars

Nehan

Viray

Nitya

Particulars

Nehan

Viray

Nitya

To Revaluation

3000

2000

1000

By Balance b/d

1,20,000

1,00,000

90,000

To Nehan's Capital

-

48,000

42,000

By Contingency Reserve

15,000

10,000

5,000

To Nehan's Loan

14,200

-

-

By Viray Capital A/c

48,000

-

-

To Bank Dr.

-

6,000

16,000

By Nitya's Capital A/c

42,000

-

-

To Balance b/d

-

-

-

To Balance d/c

-

54,000

36,000

225,000

110,000

95,000

110,000

95,000

Balance Sheet

as at 31.03.18

Liabilities	₹	Assets	₹
Advertisers	48,000	Cash at Bank	13,000
Mehar's Loan A/c	2,22,000	Bills Receivable	54,000
Employer's Provident Fund	1,70,000	Book Debts	60,000
Capital A/c Dr		Less Provision for doubtful debts (300)	
Vinay 54,000	90,000		67,000
Nitya 36,000		Plant and Machinery	1,14,000
		Land and Building	2,92,000
	5,39,000		5,39,000

Working Notes

1. ~~Profit~~ ^{old} Sharing Ratio \Rightarrow 3:2:1

2. ~~Profit~~ Gaining Ratio

$$\text{Vinay} \Rightarrow \frac{\frac{3}{6} - \frac{2}{6}}{\frac{3}{6} + \frac{2}{6}} = \frac{1}{5} = \frac{18-10}{30} = \frac{8}{30} = \frac{1}{\frac{30}{8}}$$

$$\text{Nitip} \Rightarrow \frac{2}{5} - \frac{1}{6} = \frac{12-5}{30} = \frac{7}{30}$$

Cloud
Gaining Ratio \Rightarrow 8:7

Morals.

$$3. \text{ Goodwill} \Rightarrow 1,80,000 \times \frac{3}{8} = 270,000$$

4. Capital Adjustment

Total capital $\Rightarrow \text{₹} 90,000$

New capital $\text{₹} 54,000$

Nitya $\text{₹} 36,000$

less: registered ₹(60,000)

(capital)

₹ (6000)

₹(52,000)

₹ (16000)

↑
withdrawal

↑
withdrawal

35
22
13

35
22
13

35
22
13

Off
IIn the books of Denpasar Ltd - - -
Journal

Date	Particulars	Dr(₹)	Cr(₹)
0	Bank A/c Dr. TO Share Application A/c (Being application money received)	3,60,000	3,60,000
	Share Application A/c Dr. TO Share Capital A/c (Being application money capitalised)	3,60,000	3,60,000
	Bank A/c Dr.		
	Share Allotment A/c Dr. TO Share Capital A/c TO Securities Premium Reserve A/c (Being allotment money due)	2340,000 540,000 1800,000	

Journal

Date	Particulars	(P)	DR (D)	Cr (C)
	Bank Dr De-		23,24,000	
	TO Share Allotment Dr			22,49,000
	200 TO Share First call Dr			35,000
	TO Share Final call Dr	✓		40,000
	(Being share allotment money rec'd & advance recd on 5000 shares)			
				18x7
				126
	Share First call Dr De-	12,60,000		
	TO Share Capital Dr		3,60,000	
	TO Securities Premium Reserve Dr		900,000	
	(Being first call due)			
	Bank Dr De-	13,16,000		22,9000
	TO Share Allotment Dr	130,00,000		91000
	TO Share First call Dr		12,25,000	12,25,000
	(Being first call money rec'd, and due on allotment also received)		10,00,000	10,00,000
				2340000

Journal

Date	Particulars	DR	DR (RS)	CR (RS)
	Share final call A/c Dr.		14,40,000	
	To Share Capital A/c			5,40,000
	To Securities Premium Received A/c			9,00,000
	(Being first call due on 1,00,000 share)			✓
	Bank Dr. Rs.		13,84,000	
	To Share final call A/c			✓ 13,84,000
	(Being final call waived except on 2000 shares)			✓
	★ (continued after working notes....)			
	<u>Working Notes</u>			
	2,00,000 X 10 + ⑩			

(2)

1,80,000

App	2	
All	13	3 + (10)
1st call	7	2 + (5)
2nd call	8	3 + (5)

(3)

~~Amt received on allotment~~

₹

Due

₹3,40,000

Add: Advance
Received

75,000

13 x 7

24,15,000

Ans: (a) Amt not

paid received by

Vineet

(91,000)

$$\begin{array}{r}
 12,600 \\
 + 91 \\
 \hline
 12,691
 \end{array}$$

₹ 23,24,000/-

30

Journal

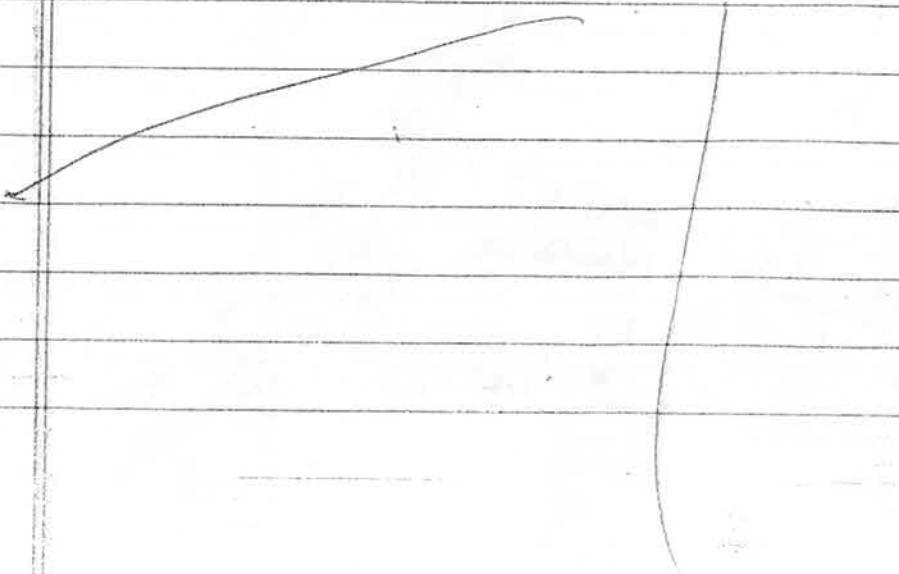
Date	Purposes	Dr	Dr (₹)	Credit (₹)
	Share Capital A/c Dr.		50,000	
	Securities Premium Reserve A/c Dr.		10,000	
	TO Share Forfeited A/c			14,000
	TO Share Capital (all A/c)			16,000
	(Being 2000 share forfeited for non-payment of first call)			
	Share forfeited A/c Dr.	3000		
	Bank A/c Dr.	12,000		
	TO Share Capital A/c			15,000
	(Being re-issue of 1500 share @ ₹8/- share, fully paid up)			
	Share Forfeited A/c Dr.	7,500		
	TO Capital Reserve A/c			7,500
	(Being gain on re-issue transferred to Capital A/c -)			

Calculation of gain on Reissue

$$\Rightarrow \frac{2}{4} \left(\frac{74000 \times 3}{4} \right) = 3000$$

i) ~~₹ 10,500 - 3000~~

ii) ~~₹ 7800/-~~



ISE 2019

A hand-drawn diagram on lined paper featuring several numbers and calculations. The numbers include 6, 10, 15, 20, 25, 30, 35, 40, 45, 50, 55, 60, 65, 70, 75, 80, 85, 90, 95, 100, 110, 120, 130, 140, 150, 160, 170, 180, 190, 200, 210, 220, 230, 240, 250, 260, 270, 280, 290, 300, 310, 320, 330, 340, 350, 360, 370, 380, 390, 400, 410, 420, 430, 440, 450, 460, 470, 480, 490, 500, 510, 520, 530, 540, 550, 560, 570, 580, 590, 600, 610, 620, 630, 640, 650, 660, 670, 680, 690, 700, 710, 720, 730, 740, 750, 760, 770, 780, 790, 800, 810, 820, 830, 840, 850, 860, 870, 880, 890, 900, 910, 920, 930, 940, 950, 960, 970, 980, 990, 1000, 1100, 1200, 1300, 1400, 1500, 1600, 1700, 1800, 1900, 2000, 2100, 2200, 2300, 2400, 2500, 2600, 2700, 2800, 2900, 3000, 3100, 3200, 3300, 3400, 3500, 3600, 3700, 3800, 3900, 4000, 4100, 4200, 4300, 4400, 4500, 4600, 4700, 4800, 4900, 5000, 5100, 5200, 5300, 5400, 5500, 5600, 5700, 5800, 5900, 6000, 6100, 6200, 6300, 6400, 6500, 6600, 6700, 6800, 6900, 7000, 7100, 7200, 7300, 7400, 7500, 7600, 7700, 7800, 7900, 8000, 8100, 8200, 8300, 8400, 8500, 8600, 8700, 8800, 8900, 9000, 9100, 9200, 9300, 9400, 9500, 9600, 9700, 9800, 9900, 10000, 11000, 12000, 13000, 14000, 15000, 16000, 17000, 18000, 19000, 20000, 21000, 22000, 23000, 24000, 25000, 26000, 27000, 28000, 29000, 30000, 31000, 32000, 33000, 34000, 35000, 36000, 37000, 38000, 39000, 40000, 41000, 42000, 43000, 44000, 45000, 46000, 47000, 48000, 49000, 50000, 51000, 52000, 53000, 54000, 55000, 56000, 57000, 58000, 59000, 60000, 61000, 62000, 63000, 64000, 65000, 66000, 67000, 68000, 69000, 70000, 71000, 72000, 73000, 74000, 75000, 76000, 77000, 78000, 79000, 80000, 81000, 82000, 83000, 84000, 85000, 86000, 87000, 88000, 89000, 90000, 91000, 92000, 93000, 94000, 95000, 96000, 97000, 98000, 99000, 100000.

अपना अनुक्रमांक इस उत्तर-पुस्तिका
पर न लिखें
Please do not write your
Roll Number on this Answer-Book

अतिरिक्त उत्तर-पुस्तिका (ओं) की संख्या
Supplementary Answer-Book(s) No.

PART-B

OPTION -1

- Q18 ✓ When cash comes in, into the business, it is called
 Inflow of cash.

For example : Money received by sale of goods ₹10,000/-
 ∴ ₹10,000 is the inflow.

- Q19. ✓ No.

They are not disclosed in cashflow statement as they
 do not involve outflow or inflow of cash.

It is a non-cash transaction.

I	QSO.	Major Headings	Sub Headings
(i)		Current Liabilities	Other Current Liabilities
(ii)		Current Assets	Inventories
(iii)		Current Liabilities	Other Current Liabilities
(iv)		Current Assets	Other Current Assets
(v)		Non- ^{Current} Assets	Fixed Assets - Intangible
(vi)		Non- ^{Current} Liability	Other non- Current Liability
(vii)		Non- ^{Current} Asset	Fixed Assets - Tangible
(viii)		Non- ^{Current} Assets	Fixed Assets - Intangible

Qal.

三

~~Net profit after interest and tax \Rightarrow 120,000~~

~~Add: Tax (Tax = 7,200) 700 x 422
- 60 702~~

~~before Tax~~

Add : Interest (15,000 + 12,000)

平

४०८०

200.00

~~27,000~~

27-000

三

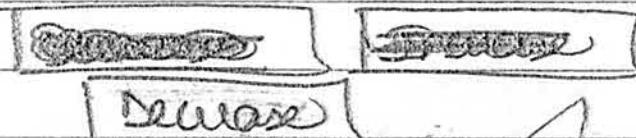
Quick Ratio $\rightarrow \frac{1}{1}$

67

I decrease

to expect quick assets decrease, but current liabilities remain unchanged.

(ii)



It ~~increases~~ increases current liabilities, even though quick assets remain unchanged.

(iii)

Increase

Quick assets (cash) increases, while current liabilities remain unchanged.

(iv)

No change

Neither quick assets, nor current liabilities change.

022.

G.F

Comparative Statement

of PROFIT and LOSS
 for the years ending
 31.03.17 and 31.03.18

Particulars	2016-17 (₹)	2017-18 (₹)	Absolute (₹) Change $(B - A) \times C$	Percentage (%) change $D = \frac{C}{A} \times 100$
	(A)	(B)		
I Revenue from Operation	4,00,000	6,00,000	2,00,000	50%
II TOTAL INCOME	4,00,000	6,00,000	2,00,000	50%
II EXPENSES				
• Cost of materials consumed	2,00,000	3,00,000	1,00,000	50%
• Other Expenses	50,000	45,000	(5,000)	(10%)
III TOTAL EXPENSES	2,50,000	3,45,000	95,000	38%
IV Profit before Tax (I-III)	150,000	1,55,000	1,05,000	70%
Less: Tax @ 40%	(60,000)	(1,02,000)	42,000	70%
V Profit after Tax	90,000	1,53,000	63,000	70%

023

Cashflow Statement

for the year ended 31.03.13

Particulars	£	£
(A) Cashflow from Operating Activities		
Difference b/w Surplus	(1,00,000)	
Add: Provision for Tax made	76,800	
Net loss before tax and extraordinary items	(24,000)	
Adjustments for non cash & non-operating		
Add: Depreciation	4,20,000	
Interest on Debentures	64,000	
Less: Gain on sale of machinery	(1,60,000)	
Operating profit before working capital changes	3,00,000	
Add: Increase in Trade Payable	50,000	
Less: Increase in Inventory	(9,00,000)	
Less: Tax Paid	(50,000)	
Cash used in Operating Activities.	(1,06,000)	

Particulars	₹	₹
(B) Cashflow from Investing		
Payment for machinery	(16,00,000)	
Payment for purchase of intangible Assets	(1,00,000)	
Proceeds from sale of machinery	6,40,000	
Cash used in Investing Activities		(10,60,000)
(C) Cashflow from Financing Activities		
Proceeds from issue of shares	9,00,000	
Proceeds from issue of debentures	3,00,000	
Interest paid on debentures	(84,000)	
Cashflow from financing Activities		11,36,000
(D) Net outflow of cash & cash equivalents <small>(cash + current investments)</small>	(30,000)	
Add: Opening cash & cash equivalents	1,56,000	
Closing cash & cash equivalents <small>(89,000 + 37,000)</small>		1,26,000

Working Notes

1. Dr

Machinery A/c

C.

Particulars	Dr	Particulars	C.
TD Balance b/fd	£500,000		
TD P & L A/c	1,60,000	By Bank A/c	6,40,000
TD Bank A/c (B/P)	16,00,000	By Accumulated Depreciation	3,20,000
	<u>42,60,000</u>	By Balance c/fd	<u>3300000</u>
			<u>42,60,000</u>

Q18.

C

Accumulated Depreciation A/c

2. Dr

Particulars

C.

Particulars

C.

TD Machinery A/c

3,20,000

5,00,000

19.

TD Balance B/fd

6,00,000

4,20,000

C

9,20,000

19,20,000

B

C

C

C