



Q8. From the following Balance Sheet of Tiger Super Steel Ltd.  
Prepare cash flow Statement

**Balance Sheet of Tiger Super Steel Ltd.  
as at 31<sup>st</sup> March, 2014 and 31<sup>st</sup> March, 2015**

Particulars	Note No.	March 31, 2015 Rs.	March 31, 2014 Rs.
<b>I. Equity and Liabilities</b>			
<b>1. Shareholders' Funds</b>			
a. Equity share capital	1	1,40,000	1,20,000
b. Reserves and surplus	2	22,800	15,200
<b>2. Current liabilities</b>			
a. Trade payables	3	21,200	14,000
b. Other Current liabilities	4	2,400	3,200
c. Short-term provisions	5	28,400	22,400
<b>Total</b>		<b>2,14,800</b>	<b>1,74,800</b>
<b>II. Assets</b>			
<b>1. Non- Current assets</b>			
<b>a. Fixed assets</b>			
i. Tangible assets	6	96,400	76,000
ii. Intangible assets		18,800	24,000
b. Non -Current Investment		14,000	4,000
<b>2. Current assets</b>			
a. Inventory		31,200	34,000
b. Trade receivable		43,200	30,000
c. Cash and Cash equivalents		11,200	6,800
<b>Total</b>		<b>2,14,800</b>	<b>1,74,800</b>

Notes:

Particulars	2015	2014
<b>1. Share capital</b>		
Equity share capital	1,20,000	1,00,000
10% Preference share capital	20,000	40,000
	<b>1,40,000</b>	<b>1,20,000</b>
<b>2. Reserve and Surplus</b>		
General reserve	12,000	8,000
Balance in statement of Profit and Loss	10,800	7,200
	<b>22,800</b>	<b>15,200</b>
<b>3. Trade payables</b>		
Bills Payables	<b>21,400</b>	<b>14,000</b>
<b>4. Other current liabilities</b>		
Outstanding expenses	<b>2,400</b>	<b>3,200</b>
<b>5. Short-term Provision</b>		
Provision for taxation	12,800	11,200
Proposed dividend	15,600	11,200
	<b>28,400</b>	<b>24,800</b>
<b>6. Tangible Assets</b>		
Land and Building	20,000	40,000
Plant	76,400	36,000
	<b>96,400</b>	<b>76,000</b>

Solution:

Cash Flow Statement of Tiger Super Steel Ltd.			
	Particulars	Rs.	Rs.
A.	<b>Cash Flow from Operating Activities:</b>		
	Profit as per the balance Sheet (10,800-7,200)	3,600	
	General Reserve	4,000	
	Proposed Dividend	15,600	
	Provision for Taxation	12,800	
	<b>Net Profit Before Taxation and Extraordinary items</b>		36,000
	Items to be Added:		
	Depreciation on land and Building	20,000	
	Depreciation on Plant	10,000	
	Goodwill written off	5,200	35,200
	<b>Operating profit before working capital changes</b>		71,200
	Add: Increase in Current Liabilities		
	Bills Payable	7,200	
	Add: Decrease in Current Assets		
	Inventories	2,800	10,000
			81,200
	Less: Increase in Current Assets		
	Trade Receivables	(13,200)	
	Less: Decrease in Current Liabilities		
	Outstanding Expenses	(800)	(14,000)
	<b>Cash Generated from Operating Activities</b>		67,200
	Less: Income Tax Paid		(11,200)
	<b>Net Cash From Operations Activities</b>		56,000
B.	<b>Cash Flow from Investing Activities</b>		
	Purchases of Plant		(50,400)
	Purchases of investment		(10,000)
	<b>Net Cash Used in Investing Activities</b>		(60,400)
C.	<b>Cash Flow from Financing Activities</b>		
	Issue of Equity Share		40,000
	dividend Paid		(11,200)
	Redemption of 10% Preferences Share		(20,000)
	<b>Net Cash Flow from Financing Activities</b>		8,800
D.	<b>Net Decrease in Cash and Cash Equivalent</b>		
	Add: Cash and Cash Equivalent in the beginning		6,800
E.	<b>Cash and Cash Equivalents at the end</b>		11,200

Working Note:

1.

Plant Account							
Dr.				Cr			
Date	Particulars	J.F	Rs.	Date	Particulars	J.F	Rs.
	To Balance c/d		36,000		By Depreciation A/c		10,000
	To Bank A/c (Purchases Balancing figure)		50,400		By Balance c/d		76,400
			86,400				86,400

2.

Net Profit before Tax	3,600
Profit and Loss Account	12,800
Provision for Tax	16,400

Note: The Net Cash from Operating Activities and net Cash from Investing Activities and net cash from Financing Activities are Rs.56,000, Rs.(60,400) and Rs.8,800 respectively. However, as per the answer given in the book, the Net Cash from Operating Activities, net Cash from Investing Activities and Net Cash from financing activities are Rs.34,800, Rs.(50,400) and Rs.20,000 respectively.

\*\*\*\*\* END \*\*\*\*\*