



Q9. From the following information, Prepare cash flow Statement

Particulars	Note No.	31 st March 2015 Rs.	31 st March 2014 Rs.
I. Equity and Liabilities			
1. Shareholders' Funds			
a. Share capital		7,00,000	5,00,000
b. Reserves and surplus		4,70,000	2,50,000
2. Non-Current Liabilities			
(8% Debentures)		4,00,000	6,00,000
3. Current liabilities			
Trade payables		9,00,000	6,00,000
Total		24,70,000	19,50,000
II. Assets			
1. Non- Current assets			
a. Fixed assets			
i. Tangible		7,00,000	5,00,000
ii. Intangible - Goodwill		1,70,000	2,50,000
2. Current assets			
a. Inventory		6,00,000	5,00,000
b. Trade receivable		6,00,000	4,00,000
c. Cash and Cash equivalents		4,00,000	3,00,000
Total		24,70,000	19,50,000

Solutions:

Cash Flow Statement
For the year ending March 31, 2014

	Particular	Dr	Rs.
A.	Cash From Operating Activities Net Profit:		
	Items to be Added:		2,20,000
	Interest on Debenture	48,000	
	Depreciation on Fixed assets	80,000	
	Goodwill written off	80,000	
	Operating profit before working capital changes Adjustment:		4,28,000
	Add: Increase in Current Liabilities		
	Creditors	3,00,000	
	Less: Increase in Current Assets		
	Inventories	(1,00,000)	
	Trade Receivables	(2,00,000)	
	Cash Generated from Operations		4,28,000
	Less: Tax Paid		
	Net Cash From Operations Activities		4,28,000
B.	Cash from Investing Activities		
	Purchases of Fixed Assets (WN)	(2,80,000)	
	Net Cash From Investing Activities		(2,80,000)
C.	Cash Flow from Financing Activities		
	Issue of Equity Share	2,00,000	
	Redemption of Debenture	(2,00,000)	
	Interest paid on Debenture	(48,000)	
	Net Cash Flow from Financing Activities (C)		(48,000)
D.	Net Increase in Cash (A+B+C)		1,00,000
	Add: Opening Cash and Cash Equivalent		3,00,000
	Closing Cash and Cash Equivalent		4,00,000

Working Note:

Fixed Assets Account

Dr.				Cr			
Date	Particulars	J.F	Rs.	Date	Particulars	J.F	Rs.
	To Balance c/d		5,00,000		By Depreciation A/c		80,000
	To Purchases A/c (Balancing figure)		2,80,000		By Balance c/d		7,00,000
			7,80,000				7,80,000

***** END *****