

CASH FLOW STATEMENT

✚ Format of Cash Flow Statement as Per AS – 3

Particulars	(Rs. In Lakhs)	(Rs. In Lakhs)
<p>(I) Cash From Operating Activities:</p> <p>(i) Net Profit</p> <p>(ii) Adjustments for Non-cash items and profit & Loss A/c items.</p> <p>Add: All Debit side items</p> <p>Less: All Credit side items</p> <p>Profit Before Working Capital Changes</p> <p>(iii) Adjustment for Working Capital Changes</p> <p>Add: Decrease in working capital</p> <p>Less: Increase in working capital</p> <p>Cash Flow Operations:</p> <p>Less: Income tax Paid</p> <div style="border: 1px solid black; padding: 2px; margin: 10px auto; width: fit-content;"> <p style="text-align: center;">Cash From Operating Activities (I)</p> </div>		
<p>(II) Cash from Investing Activities:</p> <p>Purchase & Sale of Fixed Assets</p> <p>Purchase & sale of Investments</p> <p>Dividend Received</p> <div style="border: 1px solid black; padding: 2px; margin: 10px auto; width: fit-content;"> <p style="text-align: center;">Cash From Investing Activities (II)</p> </div>		
<p>(III) Cash from Financing activities:</p> <p>Issue and Redemption of shares</p> <p>Issue and Redemption of Debentures</p> <p>Raising of Loans</p> <p>Repayment of Loans</p> <p>Interest & Dividend Paid</p> <div style="border: 1px solid black; padding: 2px; margin: 10px auto; width: fit-content;"> <p style="text-align: center;">Cash From Financing Activities (III)</p> </div>		
<p>Net Increase/ Decrease in cash and cash equivalents (I + II + III)</p> <p>Opening Balance:</p> <p>Cash</p> <p>Bank</p> <p>Closing balance:</p> <p>Cash</p> <p>Bank</p>		

1) The Balance sheet of Alifiya Ltd. are as follows: (Oct 2014)

Liabilities	2013	2014	Assets	2013	2014
Equity Share Capital	1,50,000	2,50,000	Goodwill	55,000	45,000
General Reserve	-	30,000	Land & building	80,000	90,000
Profit & Loss A/c	-	29,000	Plant & Machinery	40,000	1,00,000
Debentures	1,00,000	-	Stock	42,000	53,000
Sundry Creditors	57,000	46,000	Debtors	90,000	98,000
Bills Payable	30,000	6,000	Bills Receivable	8,000	12,000
Provision for Tax	-	25,000	Prepaid Expenses	6,000	4,000
Proposed Dividend	-	20,000	Cash in hand	10,000	4,000
			Profit & Loss A/c	6,000	-
	3,37,000	4,06,000		3,37,000	4,06,000

Additional Information:

- (a) During the year 2014 depreciation of Rs. 8,000 and Rs. 10,000 have been charged on Land & Building and Plant & Machinery respectively.
 (b) An Interim dividend of Rs. 7,500 was paid during the year 2014.
 (c) During the year 2014 Machinery having a book value of Rs. 8,000 was sold for Rs. 7,500.
Prepare a cash flow statement for the year ended 31st December 2014.

2) Following are summarized Balance sheet of Kishan Ltd. as on 31st December 2013 & 2014. (April 2015)

Liabilities	2013	2014	Assets	2013	2014
Share capital:			Bank	35,000	16,000
Equity Share	2,00,000	2,50,000	Stock	40,000	75,000
10% Preference Shares	50,000	80,000	Debtors	90,000	1,50,000
12% Debentures	1,00,000	80,000	Machinery	75,000	60,000
Bank Loan	70,000	1,10,000	Furniture	10,000	8,000
Reserves	20,000	25,000	Land	1,70,000	2,80,000
Profit & Loss A/c	50,000	60,000	Building	1,40,000	99,000
Creditors	60,000	75,000	Goodwill	30,000	25,000
Bills payable	40,000	33,000			
	5,90,000	7,13,000		5,90,000	7,13,000

Additional Information:

- (a) Depreciation charged during 2014 was Rs. 4,000 on Furniture, Rs. 12,000 on Machinery & Rs. 20,000 on building.
 (b) Part of Machinery was sold for Rs. 15,000 at a loss of Rs. 4,000
 (c) During 2014 interim dividend was paid Rs. 10,000 and Income tax was paid Rs. 5,000.
 (d) During the year part of the building was sold at book value.

You are required to prepare a cash flow statement as Per AS – 3.

3) The Summarized Balance Sheet of Anjit Ltd. as at 31st March, 2014 and 31st March, 2015 are given below: (Oct 2015)

Liabilities	31.03.14	31.03.15	Assets	31.03.14	31.03.15
Share Capital	4,50,000	4,50,000	Fixed Assets	4,00,000	3,20,000
General Reserves	3,00,000	3,10,000	Investment	50,000	60,000
Profit & Loss A/c	56,000	68,000	Stock	2,40,000	2,10,000
Creditors	1,68,000	1,34,000	Debtors	2,10,000	4,55,000
Provision for Tax	75,000	10,000	Bank	1,49,000	1,97,000
Mortgage Loan	-	2,70,000			
	10,49,000	12,42,000		10,49,000	12,42,000

Additional Information:

- (a) Investment costing Rs. 8,000 were sold during the year 2015 for Rs. 8,500.
 (b) Provision for tax made during the year was Rs. 9,000.
 (c) During the year, part of fixed assets, costing Rs. 10,000 was sold for Rs. 12,000 and profit was included in Profit & Loss Account.
 (d) Dividend paid during the year amounted to Rs. 40,000.

You are required to prepare a cash flow statement as Per AS – 3.

4) From the following relating to the Accounts of Ankit Ltd. prepare Cash Flow Statement as per AS – 3. (Oct 2016)

Liabilities	31.03.16	31.03.15	Assets	31.03.16	31.03.15
Share Capital	10,00,000	8,00,000	Plant & Machinery	7,00,000	5,00,000
Reserves	2,00,000	1,50,000	Land & building	6,00,000	4,00,000
Profit & Loss A/c	1,00,000	60,000	Investments	1,00,000	-
Debentures	2,00,000	-	Sundry Debtors	5,00,000	7,00,000
Provision for	1,00,000	70,000	Stock	4,00,000	2,00,000
Taxation	2,00,000	1,00,000	Cash on hand/bank	2,00,000	2,00,000
Proposed Dividend	7,00,000	8,20,000			
Sundry Creditors					
	25,00,000	20,00,000		25,00,000	20,00,000

Additional Information:

- (a) Depreciation @25% was charged on the opening value of Plant & Machinery.
 (b) During the year one old machine costing Rs. 50,000 (WDV Rs. 20,000 was sold for Rs. 35,000)
 (c) Rs. 50,000 was paid towards Income tax during the year.
 (d) Building under construction was not subject to any depreciation.

Prepare a Cash Flow Statement.

5) Following are the summarized Balance Sheet of Mohsin Ltd. as on 31st March, 2015 and 31st March, 2016.

Liabilities	2016	2015	Assets	2016	2015
Share Capital	2,00,000	2,50,000	Bank	35,000	16,000
12% Debentures	1,00,000	80,000	Stock	40,000	75,000
10% Pref. Shares Cap	50,000	80,000	Debtors	90,000	1,50,000
Bank Loan	70,000	1,10,000	Machinery	75,000	60,000
Reserves	20,000	25,000	Furniture	10,000	8,000
Profit & Loss A/c	50,000	60,000	Land	1,70,000	2,80,000
Sundry Creditors	60,000	75,000	Building	1,40,000	99,000
Bills Payable	40,000	33,000	Goodwill	30,000	25,000
	5,90,000	7,13,000		5,90,000	7,13,000

Other Information:

- (a) During the year part of the Building was sold at Book – Value.
 (b) During 201+6 Interim Dividend was paid Rs. 10,000 and Income tax was paid Rs. 5,000.
 (c) Depreciation charged during 2016 was Rs. 4,000 on Furniture, Rs. 12,000 on machinery & Rs. 20,000 on Building.
 (d) Part of Machinery was sold for Rs. 15,000 at a loss of Rs. 4,000.

Prepare a Cash Flow Statement as per AS – 3.