

**31. From the following information, calculation cash flow from operating activities and investing activities:**

<b>Particulars</b>	<b>31<sup>st</sup> March 2022 ₹</b>	<b>31<sup>st</sup> March 2023 ₹</b>
<b>Surplus, i.e., balance statement on profit &amp; loss</b>	<b>2,50,000</b>	<b>10,00,000</b>
<b>Provision for Tax</b>	<b>75,000</b>	<b>75,000</b>
<b>Trade payables</b>	<b>1,00,000</b>	<b>3,75,000</b>
<b>Current Assets (Trade Receivables and inventories)</b>	<b>11,50,000</b>	<b>13,00,000</b>
<b>Property, plant and equipment and intangible Assets:</b>		
<b>Property, plant and equipment</b>		
<b>Accumulated deprecation</b>	<b>21,25,000</b>	<b>23,30,000</b>
	<b>10,62,000</b>	<b>11,00,000</b>

**Additional information:**

- 1. A machine having book value of 1,00,000 (Depreciation provided thereon 1,62,000) was sold at a loss of 20,000.**
- 2. Tax paid during the year 75,000.**

**Solution:**

Particulars	₹
<b>(A) Operating Activities</b>	
Net profit for the year	7,50,000
Add provision for taxation	<u>75,000</u>
Net profit before tax & extraordinary items	8,25,000
Add Depreciation on machine (w.n) 2,00,000	<u>2,20,000</u>
	10,45,000
Add loss on sale of machine (w.n) <u>20,000</u>	
	<u>2,75,000</u>
Add increase in trade payables	13,20,000
	<u>1,50,000</u>
	11,70,000
Less increase in current assets	<u>75,000</u>
Net cash generated from operation	10,95,000
Less tax paid (w.n)	
Net cash flow from operating activities	80,000
<b>(B) Investing activities</b>	<u>(4,67,500)</u>
sale of fixed Assets (w.n)	3,87,500

<b>Less: purchase of fixed assets (w.n)</b>	
<b>Net cash used in investing activities</b>	

**working Notes:**

**Provision for Taxation A/c**

<b>Particular</b>	<b>₹</b>	<b>Particular</b>	<b>₹</b>
<b>To Bank A/c (Tax paid)</b>	<b>75,000</b>	<b>By balance B/d</b>	<b>75,000</b>
<b>To balance c/d</b>	<b>75,000</b>	<b>By profit &amp; loss A/c (Depreciation) (Balancing figure)</b>	<b>75,000</b>
	<b>1,50,000</b>		<b>1,50,000</b>

**Dr. Machinery A/c Cr.**

<b>Particular</b>	<b>₹</b>	<b>Particular</b>	<b>₹</b>
<b>To balance B/d</b>	<b>21,25,000</b>	<b>By Accumulated Dep. A/c</b>	<b>1,62,500</b>
<b>To Bank A/c (purchase)</b>	<b>4,67,500</b>	<b>By bank A/c (sales)</b>	<b>80,000</b>
		<b>By Profit &amp; Loss A/c (Loss)</b>	<b>20,000</b>

		By balance c/d	23,30,000
	21,25,000		21,25,000

Dr. **Accumulated Depreciation A/c**  
Cr.

Particular	₹	Particular	₹
To machinery A/c	1,62,500	By balance B/d	10,62,500
To balance c/d	11,00,000	By profit & Loss A/c (Dep during the year) (Balance figure)	2,00,000
	1,62,500		1,62,500

**32. From the following information, calculate cash flow from financing Activities:**

	1st April 2022	31st March 2023
Long-term loan	2,00,000	
2,50,000		

**During the year, the company repaid a loan of 1,00,000.**

**Solution:**

**Statement showing flow from financing activities**

Particular	₹
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Loan taken during the year	1,50,000
Less Repayment of loan	(1,00,000)
Net cash flow from financing activities	50,000

Working notes:

Long-term loan A/c

Particular	₹	Particular	₹
To bank A/c (Repayment)	1,00,000	By balance B/d	2,00,000
To balance c/d	<u>2,50,000</u>	By bank A/c (Loan taken) ( Bal. figure)	<u>1,50,000</u>
	<u>3,50,000</u>		<u>3,50,000</u>

**33. From the following information, calculate cash flow from financing activities:**

Particulars	31 <sup>st</sup> March 2023 ₹	31 <sup>st</sup> March 2022 ₹
Equity share capital	10,00,000	9,00,000
Securities premium Reserve	2,60,000	2,50,000
12% Debentures	1,00,000	1,50,000

**Additional information: Interest paid on debentures 18,000.**

**Solution:**

**Cash flow from financing Activities**

Particulars	₹	₹
Issue of equity share capital		1,00,000
Securities premium Received		<u>10,000</u>
		1,10,000
Less: Redemption of 12% Debentures	(50,000)	
Less: Interest paid	<u>(18,000)</u>	<u>68,000</u>
Net cash from financing activities		42,000

**34. Jalco Ltd. provided the following information, calculate net cash flow from financing activities:**

Particulars	31 <sup>st</sup> March 2023 ₹	31 <sup>st</sup> March 2022 ₹
Equity share capital	12,00,000	10,00,000

<b>12% Debentures</b>	<b>2,00,000</b>	<b>1,00,000</b>
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**Additional information:**

1. Interest paid on debentures 19,000.
2. Dividend paid in the year 50,000.
3. During the year, jalco Ltd. issued bonus shares in the ratio of 5:1 by capitalizing reserve.

**Solution:**

<b>Particular</b>	<b>₹</b>
<b>Issue of Debentures</b>	<b>1,00,000</b>
<b>Less: Interest paid on debentures (19,000)</b>	
<b>Less: Dividend paid (50,000)</b>	<b>(69,000)</b>
<b>Cash flow from financing Activities</b>	<b>(31,000)</b>

**35. From the following extracts of Balance Sheets of Exe Ltd., calculate cash flow Financing Activities:**

<b>Particulars</b>	<b>31<sup>st</sup> March 2023 ₹</b>	<b>31<sup>st</sup> March 2022 ₹</b>
<b>Equity share capital</b>	<b>5,25,000</b>	<b>4,00,000</b>
<b>10% preference share capital</b>	<b>4,00,000</b>	<b>5,50,000</b>

<b>Debentures Redemption Reserve</b>	<b>1,00,000</b>	<b>1,00,000</b>
<b>12% Debentures</b>	<b>4,00,000</b>	<b>3,00,000</b>

### **Additional Information:**

- 1. Equity share were issued on 31st March, 2023.**
- 2. Interim dividend on Equity shares was paid @ 15%.**
- 3. Preference shares were redeemed on 31st March, 2023 at a premium of 5%.**
- 4. 12% debentures of face value 1,00,000 were issued on 31st March, 2023.**

**Solution:**

### **Cash flow Financing Activities**

<b>Particular</b>	<b>₹</b>
<b>Issue of equity share capital</b>	<b>12,5000</b>
<b>Issue of 12% Debentures</b>	<b>1,00,000</b>
	<b>2,25,000</b>
<b>Less: interim dividend on equity shares 60,000</b> <b>(15% of 4,00,000)</b>	
<b>Less: Redemption of 10% preference share 1,57,500</b> <b>at a premium of 5%</b> <b>(150000 + 5% of 150000)</b>	
<b>Less: 10% dividend of preference share 55,000</b>	



<b>(550000 x 10%)</b>		
<b>Less: 12% Interest on Debentures</b>	<b><u>36,000</u></b>	<b><u>(3,08,500)</u></b>
<b>Cash used in financing Activities</b>		<b>83,500</b>

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