

# VIDYA BHAWAN BALIKA VIDYA PITH

शक्तिउत्थानआश्रमलखीसरायबिहार

Class 12 commerce Sub. ACT Date 14.03.2021

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## Cash Flow Statement

Question 4:

The following is the Profit and Loss Account of Yamuna Limited:

### Statement of Profit and Loss of Yamuna Ltd., for the Year ended March 31, 2017

| Particulars |                            | Note No. | Amount (Rs)     |
|-------------|----------------------------|----------|-----------------|
| i)          | Revenue from Operations    |          | 10,00,000       |
| ii)         | Expenses                   |          |                 |
|             | Cost of Materials Consumed | 1        | 50,000          |
|             | Purchase of Stock-in-trade |          | 5,00,000        |
|             | Other Expenses             | 2        | 3,00,000        |
|             | <b>Total Expenses</b>      |          | <b>8,50,000</b> |
| iii)        | Profit before Tax (i – ii) |          | 1,50,000        |

Additional information:

(i) Trade receivables decrease by Rs 30,000 during the year.

(ii) Prepaid expenses increase by Rs 5,000 during the year.

(iii) Trade payables increase by Rs 15,000 during the year.

(iv) Outstanding expenses payable increased by Rs 3,000 during the year.

(v) Other expenses included depreciation of Rs 25,000.

Compute net cash from operations for the year ended March 31, 2017 by the indirect method.

**ANSWER:**

### Cash Flow from Operating Activities of Yamuna Limited as on March 31, 2017

| Particulars | Amount Rs | Amount Rs |
|-------------|-----------|-----------|
|-------------|-----------|-----------|

|   |          |                 |
|---|----------|-----------------|
| Net Profit earned during the year               |          | 1,50,000        |
| <i>Items to be added:</i>                       |          |                 |
| Depreciation                                    |          | 25,000          |
| Operating Profit before Working Capital changes |          | 1,75,000        |
| <i>Add: Increase in Current Liabilities</i>     |          |                 |
| Outstanding Expenses                            | 3,000    |                 |
| <i>Add: Decrease in Current Assets</i>          |          |                 |
| Trade Receivables                               | 30,000   |                 |
| Stock   | 50,000   | 83,000          |
| <i>Less: Decrease in Current Liabilities</i>    |          |                 |
| Trade Creditors                                 | (15,000) |                 |
| <i>Less: Increase in Current Assets</i>         |          |                 |
| Prepaid Expenses                                | (5,000)  | (20,000)        |
| <b>Net Cash from Operations</b>                 |          | <b>2,38,000</b> |

**Note:** As per the solution, the Net Cash from Operating Activities is Rs 2,38,000, however, as per the answer given in the book is Rs 2,18,000.

Question 5:

Compute cash from operations from the following figures:

(i) Profit for the year 2016-17 is a sum of Rs. 10,000 after providing for depreciation of Rs. 2,000.

(ii) The current assets and current liabilities of the business for the year ended March 31, 2016 and 2015 are as follows:

| Particular                      | March<br>31,<br>2016<br>(Rs) | March<br>31,<br>2017<br>(Rs) |
|---------------------------------|------------------------------|------------------------------|
| Trade Receivables               | 14,000                       | 15,000                       |
| Provision for<br>Doubtful Debts | 1,000                        | 1,200                        |
| Trade Payables                  | 13,000                       | 15,000                       |
| Inventories                     | 5,000                        | 8,000                        |

|                            |        |        |
|----------------------------|--------|--------|
| Other Current Assets       | 10,000 | 12,000 |
| Expenses payable           | 1,000  | 1,500  |
| Prepaid Expenses           | 2,000  | 1,000  |
| Accrued Income             | 3,000  | 4,000  |
| Income received in advance | 2,000  | 1,000  |

**ANSWER:**

**Cash Flow Statement**  
*for the Year Ending March 31, 2017*

| Particulars                                    | Details<br>(₹) | Amount<br>(₹) |
|--|----------------|---------------|
| <b>Cash from Operating Activities</b>          |                |               |
| Net Profit                                     |                | 10,000        |
| <i>Items to be added:</i>                      |                |               |
| Depreciation                                   | 2,000          | 2,000         |
| <b>Operating Profit before Working Capital</b> |                | <b>12,000</b> |
| <b>Adjustments</b>                             |                |               |
| <i>Less: Increase in Current Assets</i>        |                |               |
| Trade Receivables                              | (1,000)        |               |
| Accrued Income                                 | (1,000)        |               |
| Accrued Income                                 | (2,000)        |               |
| Other Current Assets                           | (3,000)        |               |
| Inventories                                    |                |               |
| <i>Add: Increase in Current Liabilities</i>    |                |               |
| Provision for Doubtful Debts                   | 200            |               |
| Trade Payables                                 | 2,000          |               |
| Expense Payable                                | 500            |               |
| <i>Add: Decrease in Current Assets</i>         |                |               |
| Prepaid Expenses                               | (1,000)        |               |
| <i>Less: Decrease in Current Liabilities</i>   |                |               |
| Income received in advance                     | 1,000          |               |
| <b>Net Cash From Operating Activities</b>      |                | <b>7,700</b>  |