

Cash flow statement

Following all the particulars are available from Ashok Ltd

Net income for the year ending 20,00,000
31-12-12

Annual depreciation	600,000	
Profit on sale of machine	200,000	
Increase in debtors	150,000	
Increase in creditors	100,000	

Q3 Calculate Cash flow from operating activity

12A⁰¹

Calculation of cash flow from operating Activity

Particulars	₹	₹
Net profit before tax		20,00,00
Adjustment of non-cash items		
<u>Add</u> → Depreciation		600,000
		2600,000
<u>less</u> → profit on sale of machine		200,000
operating profit before w.c changes		2400,000
<u>Add</u> → Increase in Creditors		100,000
		25,00,000
<u>less</u> → Increase in Debtors		150,000
Cash flow from operating Activity		2350000

Calculate Cash flow from operating activities on the basis of the following information

Particulars	2011	2012
B/R	20,000	15,000
Debtors	270,000	165,000
Stock	100,000	120,000
Prepaid Expenses	40,000	30,000
Accrued Incomes	20,000	30,000
Creditors	10,000	15,000
o/s B/p	15,000	21,000
o/s Expenses	100,000	110,000
Income received in advance	40,000	30,000
profit Earn during a year	-	600,000

Cash flow from Operating Activities

Particulars	₹	₹
profit before tax		600,000
<u>Add</u> → i] decrease in C.A		
B/R	5,000	
Debtors [270,000 - 165,000]	105,000	
Prepaid Exp	10,000	
ii] Increase in CL		
Creditors	5,000	
B/p	6,000	

	ols Exp	10,000	141000
			741000
<u>less</u>	i] Increase in CA		
	Stock	20,000	
	Accrued incomes	10,000	
	ii] Decrease in CL		
	Income received in advance	10,000	40,000
	Cash flow from operating activity		701000

1] From the following information calculate Cash from business operation P&L A/c for the year ending 31-12-2007

P&L A/c		particulars	
Particulars	₹		₹
To Salaries	25,000	By 9/1 p bld	100000
To Rent	15,000	By interest received	5000
To Rep on plant	20,000	By p on sale of land	4000
To loss on sale of plant	4,000	By dividend received	5000
To patents written off	5,000		
To proposed dividend	10,000		
To Net profit	35000		
	114000		114000

Cash from business operation

Particulars	₹	₹
Net profit		35,000
<u>Add</u> → non-operating Expenses		
1. patents (written off)	5,000	
2. Depreciation on plant	20,000	
3. loss on sale of plant	4,000	
4. proposed dividend	10,000	39,000
		74,000
<u>less</u> → non-operating income		
1. Interest received	5,000	
2. P & sale of land	4,000	
3. dividend received	5,000	14,000
cash from operation		60,000

2] Calculate the Cash from operation from the following

P & L A/c			
Expenditure	₹	Incomes	₹
To salaries	20,000	By G.P. b/d	45,000
To rent	13,500	By p on sale of land	10,000
To Dep on plant	21,000	By income tax	7,000
To loss on sale on plant	3,000	By refund	
To G.W written off	12,000	By net loss	12,000
To proposed dividend	3,000		

provision for tax

1500

74000

74000

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