

Q. 27. From the following information, prepare Cash Flow Statement of Balaji Ltd.:

BALANCE SHEETS OF BALAJI LTD. as at 31st March, 2013 and 2012

Particulars	Note No.	31st March, 2013 (₹)	31st March, 2012 (₹)
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital		3,50,000	2,50,000
(b) Reserves and Surplus	1	5,000	20,000
2. Non-Current Liabilities			
Long-term Borrowings: 12% Debentures		1,00,000	60,000
3. Current Liabilities		1,25,000	1,50,000
Total		5,80,000	4,80,000
II. ASSETS			
1. Non-Current Assets			
(a) Fixed Assets		2,80,000	2,00,000
(b) Investment		1,00,000	1,00,000
2. Current Assets			
(a) Trade Receivables		1,60,000	1,50,000
(b) Cash and Cash Equivalents: Cash		40,000	30,000
Total		5,80,000	4,80,000

Note to Accounts

Particulars	31st March, 2013 (₹)	31st March, 2012 (₹)
1. Reserves and Surplus		
Securities Premium Reserve	25,000	...
Surplus, i.e., Balance in Statement of Profit and Loss	(20,000)	20,000
	5,000	20,000

Additional Information: (i) Debentures were issued on 1st April, 2012. (ii) During the year machine included in Fixed Assets costing ₹ 1,20,000 was purchased and another machine having Book Value of ₹ 30,000 was sold at a loss of ₹ 2,000. (AI 2012 C)

Ans. Cash Used in Operating Activities	₹ 51,000
Cash Used in Investing Activities	₹ 92,000
Cash Flow from Financing Activities	₹ 1,53,000
Net Increase in Cash and Cash Equivalents	₹ 10,000

- Q. 33. Following was the Balance Sheet of Sreshtha Ltd. as on 31st March, 2014:

Particulars	Note No.	31st March, 2014 (₹)	31st March, 2013 (₹)
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital		20,00,000	15,00,000
(b) Reserves and Surplus	1	5,00,000	3,00,000
2. Non-Current Liabilities			
Long-term Borrowings		3,00,000	2,00,000
3. Current Liabilities			
(a) Trade Payables		1,50,000	2,00,000
(b) Short-term Provisions	2	70,000	60,000
Total		30,20,000	22,60,000

B. ASSETS			
1. Non-Current Assets			
Fixed Assets:			
(i) Tangible Assets	3	19,00,000	15,00,000
(ii) Intangible Assets	4	4,70,000	2,70,000
2. Current Assets			
(a) Inventories		2,50,000	1,60,000
(b) Trade Receivables		2,10,000	2,10,000
(c) Cash and Cash Equivalents		1,90,000	1,20,000
Total		30,20,000	22,60,000

Notes to Accounts

Particulars	31st March, 2014 (₹)	31st March, 2013 (₹)
1. Reserves and Surplus		
Surplus, i.e., Balance in Statement of Profit and Loss	5,00,000	3,00,000
2. Short-term Provisions		
Provision for Tax	70,000	60,000
3. Tangible Assets		
Machinery	27,00,000	21,00,000
Less: Accumulated Depreciation	8,00,000	6,00,000
	19,00,000	15,00,000
4. Intangible Assets		
Goodwill	4,70,000	2,70,000

Prepare a Cash Flow Statement after taking into account the following adjustment:

During the year, a piece of machinery costing ₹ 30,000 on which accumulated depreciation was ₹ 6,000, was sold for ₹ 20,000. (Delhi 2015 C)

- Ans. (i) Cash Flow from Operating Activities = ₹ 2,80,000.
(ii) Cash Used in Investing Activities = ₹ 8,10,000.
(iii) Cash Flow from Financing Activities = ₹ 6,00,000.

Working Notes:

1. Dr. Cr.

MACHINERY ACCOUNT			
Particulars	₹	Particulars	₹
To Balance b/d	21,00,000	By Bank A/c (Sale)	20,000
To Bank A/c (Purchase)	6,30,000	By Accumulated Depreciation A/c	6,000
(Balancing Figure)		By Loss on Sale A/c (Statement of Profit and Loss)	4,000
		By Balance c/d	27,00,000
	<u>27,30,000</u>		<u>27,30,000</u>

2. Dr. Cr.

ACCUMULATED DEPRECIATION ACCOUNT			
Particulars	₹	Particulars	₹
To Machinery A/c	6,000	By Balance b/d	6,00,000
To Balance c/d	8,00,000	By Depreciation A/c (Statement of Profit and Loss)	2,06,000