

CASH FLOW ANALYSIS

– PROBLEMS 2

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1. From the following Balance Sheet Prepare CFS as per AS-3.

LIABILITIES	2014	2015	ASSETS	2014	2015
Profit & Loss a/c	40000	44000	Cash	15000	10000
Mrs. C's Loan	30,000	-	Debtors	30000	50000
Loan from Bank	40000	53000	Stock	35000	25000
Capital	125000	153000	Machinery	80000	55000
			Land	40000	50000
			Building	35000	60000
	235000	250000		235000	250000

During the year a machine costing 10000 (accumulated depreciation 3000) was sold for 5250. The provision for depreciation against machinery as on 2015 was 40000 and on 2014 was 25000.

2. From the following analyze the net flow of operating activities, investing activities and financial activities.

LIABILITIES	2015	2016	ASSETS	2015	2016
Share Capital	48,00,000	49,60,000	Cash and Bank	2,80,000	1,70,000
Retained Earnings	5,00,000	7,20,000	Debtors	12,00,000	15,96,000
Long term Loan	10,00,000	12,00,000	Stock	9,60,000	17,00,000
Debentures	20,00,000	16,00,000	Plant and Machinery	36,00,000	35,00,000
Creditors	8,00,000	11,60,000	Land and Buildings	30,00,000	28,00,000
General Reserve	8,00,000	9,00,000	Long Term Investment	8,00,000	7,44,000
Outstanding Expenses	40,000	50,000	Prepaid Expenses	1,00,000	80,000
	99,40,000	1,05,90,000		99,40,000	1,05,90,000

1. Interim Dividend 12500 was paid
2. Purchase of Plant and Machinery 400000 (The balance should be assumed 3:1:1 in the ratio towards sale, depreciation and Loss on sales)
3. There was sale of 200000 towards Land and Buildings