

Systematic Studies for Professionals
(Where your quest for quality education ends)

CA

IPCC/ Intermediate

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Time 2 Hrs.

Cash Flow Statement

Max.Marks:40

Q.1

Balance Sheet of Modi Ltd.
on 31/3/16 and 31/3/17

Liabilities	31/3/16	31/3/17	Assets	31/3/16	31/3/17
Equity share Cap.	15,00,000	23,00,000	Fixed Assets		
12% pref. sh. Cap.	5,00,000	3,00,000	Cost	25,00,000	38,00,000
Res. & Surplus			(-) Prov. for dep.	<u>7,40,000</u>	<u>8,90,000</u>
P & L a/c	2,50,000	4,10,000	Net Block	17,60,000	29,10,000
Sec. premium	1,50,000	1,66,000	Investments	5,30,000	6,70,000
General Reserve	1,80,000	2,50,000	C. Assets		
10% Debentures	5,00,000	8,00,000	Stock	3,50,000	4,00,000
Creditors	1,70,000	3,04,000	Debtors	4,80,000	4,10,000
Dividend Payable	1,00,000	1,40,000	Cash & Bank	2,30,000	2,80,000
	<u>33,50,000</u>	<u>46,70,000</u>		<u>33,50,000</u>	<u>46,70,000</u>

- i) Pref. shares redeemed on 31/3/17 at 10% premium.
 ii) `5,00,000 eq. shares issued to brothers against acquisition of fixed assets of `2,50,000, stock `2,20,000 and creditors of `40,000.
 iii) Balance Eq. shares issued at premium of 12%.
 iv) Investment of `80,000 written off through General Reserve.
 v) Machine costing of `3,00,000 with book value of `1,70,000 sold for `1,30,000.
 vi) Dividend of `80,000 declared for 2016 - 17 and discharged simultaneously with CDT @17%.
 vii) Income Tax paid during the year of `1,20,000.

Prepare Cash Flow Statement.

[12]

- Q.2 From the following information as contained in income statement and balance sheets of Bahubali Ltd. **you are required** to prepare a cash flow statement using (i) direct method; and (ii) indirect method:

Comparative Balance Sheets

Assets	As on 31.3.2018	As on 31.3.2017
Fixed assets:	(` in cr.)	(` in cr.)
Land	1,029	901
Building and equipment	23,634	21,187
Gross block	24,663	22,088
Less: Accumulated depreciation	9,214	6,692
Net block	15,449	15,396
Investments	6,067	4,295
Current assets:		
Cash	1,082	4,898
Debtors	842	457
Stock	1,823	1,409
Loans & Advances	4,059	1,676
Other current assets	48	25
	<u>29,370</u>	<u>28,156</u>
Liabilities:		
Equity capital	1,053	933
12% Preference capital	293	353
Reserves and surplus	12,636	11,183
10% Debentures	10,520	11,550
Sundry creditors	3,959	3,345
Provision for tax	266	544
Other liabilities	643	248
	<u>29,370</u>	<u>28,156</u>

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Income Statement for the year ended 31st March, 2018

Particulars	Details	in Crores
Net sales		20,301
Less: Cost of sales	15,984	
Salaries and wages	375	
Operating expenses (including Depreciation of 2,534)	3,425	
Provision for tax	57	19,841
Net operating profit		460
Add: Other income	640	
Profit on sale of asset	47	687
Profit for the year		1,147

Additional Information:

- Cost of equipment sold was ₹ 40 crores.
- Preference Share Capital redeemed at a premium of 10% on 1st April 2017.
- The company declared bonus shares of ₹ 50 crores to equity shareholders.
- Reserves includes securities premium of ₹ 722 & ₹ 722 on 31st March 2017 & 2018 respectively.
- Pre acquisition dividend is 20% of the total dividend income.
- Debentures were redeemed at a premium of 5% on 31st March 2018. [15]

Q.3 From the following Balance Sheets of SSP Ltd. as on 31.3.2013 and 31.3.2014, **prepare** a Cash Flow Statement for the year ending 31.3.2014:

Balance Sheets

Liabilities	31.3.2013	31.3.2014	Assets	31.3.2013	31.3.2014
Equity Share Capital	Rs.13,00,000	Rs.16,90,000	Goodwill	Rs.65,000	Rs.42,500
Profit and Loss A/c	4,90,100	8,77,500	Building	11,70,000	11,37,500
10% Debentures	16,25,000	14,00,000	Machinery	16,18,500	21,38,500
Creditors	9,00,000	12,00,000	Non – trade Investments	5,07,000	3,93,250
Bills Payable	42,500	1,70,000	Debtors	4,16,000	11,70,000
Provision for Tax	2,60,000	6,75,000	Stock	5,07,000	7,99,500
Dividend Payable	---	42,250	Cash	2,60,000	2,92,500
			Prepaid Expenses	42,250	52,000
			Debenture Discount	31,850	29,000
	46,17,600	60,54,750		46,17,600	60,54,750

The following additional information is given:

(i)	Building	Machinery
Accumulated Depreciation 31.3.2013	Rs.4,87,500	Rs.15,92,500
Accumulated Depreciation 31.3.2014	5,20,000	15,66,500
Depreciation for 2013 – 2014	32,500	1,36,500

- Profit for 2013 – 2014 is Rs.4,75,000.
- During 2013 – 2014 machinery costing Rs.2,92,500 was sold for Rs.97,500.
- Investments which were sold for Rs.1,17,000 had cost Rs.97,500.
- Debentures were redeemed at a discount of 8%.
- Machinery of Rs.2,00,000 acquired by issue of equity share capital. [13]