

Cash Flow from Investing Activities

1. From the following particulars, calculate cash flows from investing activities:

	Purchased	Sold
Plant	6,20,000	2,00,000
Investments	2,40,000	80,000
Goodwill	1,00,000	-----
Patents		1,50,000

Interest received on debentures held as investment Rs 8,000.

Interest paid on debentures issued Rs 15,000.

Dividend received on shares held as investment Rs 20,000.

Dividend paid on equity share capital Rs 25,000.

A plot of land was purchased out of the surplus funds for investment purposes and was let out for commercial use and rent received Rs 30,000.

2. Calculate cash flow from Investing Activities from the following particulars:

	April 1, 2014	March 31, 2015
Plant & Machinery	7,20,000	8,60,000

Information:

Depreciation charged during the year Rs 85,000.

Plant & Machinery having a written down value of Rs 1,10,000 was sold for Rs 1,25,000.

3. From the following information calculate the amount of Cash Flows from Investing Activities:

Particulars	31.03.2011	31.03.2012
Plant and Machinery	8,50,000	10,00,000
Non Current investments	40,000	1,00,000
Land (at cost)	2,00,000	1,00,000

Additional Information

Depreciation charged on Plant & Machinery was Rs 50,000.

Plant & Machinery with a book value of Rs 60,000 was sold for Rs 40,000.

Land was sold at a gain of Rs 60,000.

4. The balances in Equipment account & Accumulated depreciation account as on March 31, 2015 and 2016 are given below:

Balance as at	March 31, 2015	March 31, 2016
Equipment	65,00,000	78,70,000
Accumulated depreciation	10,80,000	16,32,000

The equipment costing Rs 12,30,000 accumulated depreciation thereon Rs 7,18,000 was sold for Rs 4,68,000.

Required:

- Compute the amount of equipment purchased, depreciation charged for the year and loss on sale of equipment.
- How each of the item related to the equipment will be reported in the statement of cash flows?

5. The following balances appeared in the Plant & Machinery Account and Accumulated Depreciation Account in the books of Piyush Ltd:

Balances as at	31.03.2014	31.03.2013
Plant & Machinery	9,32,000	8,50,000
Less: Accumulated Depreciation	(4,40,000)	(4,32,000)

During the year 2013- 14 the company provided depreciation amounting to Rs 80,000 and a machine costing Rs 1,05,000 was sold at a profit of 20% on its book value.

You are required to calculate Cash from Investing Activities.

6. Hero Ltd. had the following balances:

Non- Current Investments on 31 st March, 2010	Rs 3,40,000
Non- Current Investments on 31 st March, 2011	Rs 2,80,000

During the year the company had sold 40% of its original investments at a profit of Rs 84,000.

Calculate sources and uses of cash.

7. From the following particulars of Bharat Gas Limited, calculate cash flows from Investing Activities. Also show the workings clearly preparing the ledger accounts.

Assets	31- 3- 2006	31- 3 2007
Goodwill	1,00,000	3,00,000
Patents	2,80,000	1,60,000
Machinery	10,20,000	12,40,000
10% long term investments	60,000	1,60,000
Investment in land	1,00,000	1,00,000
Shares of Amartax Ltd.	1,00,000	1,00,000

Additional Information:

- Patents were written off to the extent of Rs 40,000 and some Patents were sold at a profit of Rs 20,000.
- A machine costing Rs 1,40,000 (Depreciation provided thereon Rs 60,000) was sold for Rs 50,000. Depreciation charged during the year was Rs 1,40,000.
- On March 31, 2007, 10% Investments were purchased for Rs 1,80,000 and some investments were sold at a profit of Rs 20,000. Interest on investments was received on March 31, 2007.
- Amartax Ltd. paid dividend @ 10% on its shares.
- A plot of land was purchased out of surplus funds for investment purposes and let out for commercial use and rent received Rs 30,000.

Cash Flows from Financing Activities

8. From the following activities, calculate cash flows from financing activities:

	31- 03- 2007	31- 03- 2006
Equity share capital	8,00,000	6,00,000
12% Preference Share Capital		2,00,000
14% Debentures	1,00,000	

Additional Information:

- Equity shares were issued at a premium of 15%.
- 12% Preference shares were redeemed at a premium of 5%.
- 14% debentures were issued at a discount of 1%.
- Interim dividend paid on Equity shares Rs 90,000.
- Dividend paid on old Preference Shares Rs 24,000.
- Interest paid on debentures Rs 14,000.
- Underwriting commission of equity shares Rs 10,000.

9. From the following particulars of Rajeshwar Ltd.; calculate:

	31 st March, 2015	31 st March, 2016
Equity share capital	6,00,000	10,00,000
18% Preference share capital	4,00,000	3,00,000
Securities premium reserve	1,00,000	2,60,000
14% debentures	2,00,000	2,50,000
Discount on debentures	5,000	6,000
Underwriting commission on issue of shares		20,000
Bank overdraft	1,00,000	1,50,000
Interest on bank overdraft	15,000	20,000
Profit & loss Balance	3,50,000	5,00,000

Additional Information:

- a. Preference shares were redeemed on 1st April, 2015 at a premium of 5%. Such premium has been provided out of profit.
- b. New shares and debentures were issued on March 31, 2016.
- c. Dividend on preference shares and an interim dividend @ 15% were paid on equity shares on March 31, 2016.

10. From the following extracts taken from the Balance Sheets of M/s Khanduja Ltd.; on 31st March and the additional information provided, you are required to calculate:

- a. Cash Flows from Operating Activities.
- b. Cash Flows from Financing Activities.

Equity & Liabilities	31 st March, 2015	31 st March, 2016
Equity share capital	20,00,000	30,00,000
10% Preference share capital	2,00,000	1,00,000
Securities premium reserve		95,000
Profit & loss Balance	4,00,000	8,00,000
10% debentures	10,00,000	10,00,000

Additional information:

- a. Fresh equity shares were issued on 31st March, 2016 at a premium of 10%.
- b. Interim dividend was paid on equity shares @ 8%.
- c. Preference shares were redeemed on 31st March, 2016 at premium of 5%. Premium on redemption was charged against premium received on issue of fresh equity shares.