

1. Calculate 'Cash Flow from Operating activities' from the following information:

**PROFIT AND LOSS ACCOUNT**  
For the year ending on 31<sup>st</sup> March, 2001

To cost of goods sold	7,75,000	By sales	12,00,000
To office expenses	65,000	By profit on sale of land	15,000
To selling expenses	1,50,000	By interest received	3,000
To depreciation	72,000		
To loss on sale of plant	30,000		
To goodwill written off	10,000		
To payment for taxation	36,000		
To net profit	80,000		
	12,18,000		12,18,000

	As on 31 <sup>st</sup> March, 2000	as on 31 <sup>st</sup> March, 2001
Debtors	1,40,000	1,64,000
Stock	84,000	1,15,000
Creditors	60,000	73,000
Office expenses outstanding	6,000	4,000

2. X Ltd. Made a profit of Rs. 5,00,000 after considering the following items:

Preliminary expenses written off	5,000
Depreciation on fixed assets	50,000
Loss on sale of machinery	20,000
Provision for doubtful debts	10,000
Gain on sale of land	7,500

The following is the position of current assets and current liabilities:

	1992	1993
Debtors	52,000	78,000
Bills receivable	15,000	12,000
Prepaid expenses	2,000	3,000
Creditors	40,000	51,000
Bills payable	19,000	12,000
Expenses payable	34,000	20,000

Calculate cash from operating activities.

3. The net income of Blue Sky Ltd. For the year ended March 31, 2003 was Rs 4,89,000. Depreciation charged for the year was Rs 87,000. Income for the year was arrived at after adjusting for gain on sale of land Rs. 1,05,000 loss on sale of equipment Rs. 48,000 and writing off cost of equity issue Rs. 25,000. The current assets and current liabilities of blue sky ltd. As at March 31, 2002 and 2003 are given here:

	March 31, 2002	March 31, 2003
Stocks	1,85,000	1,67,000
Receivables	1,42,000	1,42,000
Prepaid expenses	12,000	8,000
Cash in hand & at bank	17,000	32,000
Payables	95,000	1,07,000
Expenses outstanding	13,000	9,000
Bank overdraft	60,000	80,000

Calculate cash from operating activities.

4. X Ltd. Made a profit of Rs 1,00,000 after charging Depreciation of Rs 20,000 on assets and a transfer to general reserve of Rs 30,000. The goodwill written off was Rs. 7,000 and the gain on sale of machinery was Rs. 3,000.

The other information available to you (changes in the value of current assets and current liabilities) is as follows:

At the end of the year debtors showed an increase of Rs 6,000; creditors an increase of Rs 10,000; prepaid expenses an increase of Rs 200; bills payable a decrease of Rs 4,000; bills receivable a decrease of Rs 3,000 and outstanding expenses a decrease of Rs 2,000. Ascertain the cash flow from the operating activities.

5. From the following figures calculate cash from operating activities:

	1992	1993
Balance of profit & loss a/c	3,00,000	2,50,000
Balance of bills receivable	20,000	18,000
Provision for depreciation	60,000	80,000
Outstanding wages	18,000	15,000
Prepaid insurance	6,000	9,000
Goodwill	40,000	32,000
Provision for doubtful debts	10,000	14,000
Balance of debtors	1,20,000	80,000
Cash and bank balance	30,000	25,000

6. Compute cash from operating activities from the following details:

	1990	1989
Profit & loss A/c	1,10,000	1,20,000
Accounts receivable	50,000	62,000
Outstanding rent	24,000	42,000
Goodwill	80,000	76,000
Prepaid insurance	8,000	4,000
Accounts payable	26,000	38,000

7. The following is the position of current assets & current liabilities of Z Ltd.

	1995	1996
Provision for doubtful debts	1,000	Nil
Short term loans	10,000	19,000
Creditors	15,000	10,000
Bills payable	20,000	40,000

The company incurred a loss of Rs 45,000 during the year. Calculate cash from operating activities.

8. From the following information, calculate cash from operating activities:

Profit & loss Account on 1 <sup>st</sup> January, 1996 (cr)	25,000
Profit & loss Account on 31 <sup>st</sup> December, 1996 (cr)	80,000
Depreciation on fixed assets	12,500
Amortization of goodwill	8,000
Loss on sale of machine	20,000
Provision for taxation	15,000
Transfer to general reserve	30,000
Decrease in debtors	22,800
Decrease in bills payable	4,700
Outstanding expenses on 1 <sup>st</sup> January, 1996	5,000
Outstanding expenses on 31 <sup>st</sup> December, 1996	6,500
Prepaid expenses on 1 <sup>st</sup> January, 1996	2,000