



THE GURUKUL INSTITUTE

PLOT 5C, 2ND FLOOR, GANAPATI COMPLEX, SEC-13, OPP. JAIPURIA SCHOOL, VASUNDHARA, GHAZIABAD (U.P)
CLASS XII , ACCOUNTS UT – 1

1. What is a cash flow statement? List any two uses of preparing the Cash Flow Statement.
2. Calculate the cash paid to suppliers from the following:

	Rs.
Cost of goods sold	4, 00,000
Creditors on 1– 4– 2006	40,000
Inventory on 1 – 4– 2006	75,000
Creditors on 31 – 3 – 2007	50,000
Administrative Expenses	1, 00,000
Selling Expenses	20,000

3. Calculate 'Cash flows from operating activities' from the following information:

	Rs		Rs
To cost of goods sold	15,53,000	By sales	22,00,000
To salary	60,000	By interest received	10,000
To rent	48,000		
To selling Expenses	85,000		
To depreciation	1,25,000		
To loss on sale of fixed assets	40,000		
To goodwill written off	15,000		
To net profit	54,000		
	2,35,000		
	22,10,000		22,10,000

4. Classify the following into cash flows from Investing activities /Financing activities while preparing a Cash Flow Statement:
 - a) Redemption of Preference Shares
 - b) Purchase of Fixed Assets
 - c) Payment of Dividend
 - d) Interest Received.

5. Compute Cash from Operating Activities from the following:

	March 31, 2006	March 31, 2007
	Rs.	Rs.
Bills Receivable	20,000	15,000
Debtors	2, 00,000	1, 80,000
Provision for Doubtful Debts	10,000	12,000
Outstanding Salaries	20,000	–
Short-term Investments	40,000	60,000
Creditors	50,000	45,000
Bills Payables	–	10,000
Inventories	3, 00,000	3, 50,000
Prepaid Expenses	10,000	12,000
Accrued Income	–	5,000
Cash and Bank Balance	1, 00,000	1, 20,000

Profit for the year ended March 31, 2007 amounted to Rs. 4, 50,000 after providing for depreciation Rs. 30,000.

6. Z Ltd. made a profit of Rs. 20,00,000 after charging Depreciation of Rs. 1, 50,000 writing off preliminary expenses of Rs. 10,000 and loss on sale of assets Rs. 30,000. The other information available to you is as follows:



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At the end of the year Creditors showed an increase of Rs. 40,000; Debtors an increase of Rs. 50,000; Bills Payable an increase of Rs. 5, 000; Prepaid Expenses decrease of Rs. 2,000; Bills Receivable an increase of Rs. 3,000 and Outstanding Expenses decrease of Rs. 10,000 Ascertain cash flow from operating activities.

7. From the following information , calculate 'cash inflows from operating activities': -

	Rs.
Profit & loss A/c on 1 – 1 -1996(Debit)	5, 50,000
Profit & Loss A/c on 31 -12-1903	8, 00,000
Amount transferred to General reserve	50,000
Income tax Provision made	1, 50,000
Discount on shares written off	10,000
Prepaid Expenses on 1-1-1993	8,000
Loss on sale of furniture	1,000
Income from investment	4,000

8. State which of the following would result in inflow/ outflow of Cash or Cash Equivalents:

- Purchase of goods on credit
- Sale of Goods costing Rs. 20,000 for Rs. 15,000 for cash
- Purchase of a fixed asset on long term deffered payment basis
- Issue of shares against purchase of fixed asset
- Cash received from a Debtor Rs. 10,000 discount allowed Rs. 1,000
- Sale of fixed asset (book value Rs. 25,000) for Rs. 20,000 for cash.
- Old furniture (book value Rs. 10,000) written off.
- Bill receivable endorsed to creditors.
- Discount of Rs. 2,000 received while making payment to a creditor of Rs. 20,000
- Cash deposited into Bank
- Sale of Marketable securities for cash.
- Sale of Long term investments for cash.
- Conversion of Debentures into shares
- Declaration of Dividend.
- Payment of Dividend.
- Receipt of Interest on Investment
- Receipt of Dividend

9. Following is the position of Current Assets and Current Liabilities of X Ltd.:-

	31.3.1998	31.3.1997
	Rs.	Rs.
Creditors	85,000	70,000
Debtors	1, 40,000	2, 00,000
Bills Receivable	15,000	10,000
Short – term loans	20,000	–
Provision for bad- debts	7,000	10,000
Bank Overdraft	50,000	40,000

The company incurred a loss of Rs. 37,000 during the year. Calculate 'Cash from operating activities'.