

D.A.V. PUBLIC SCHOOL, CHANDRASEKHARPUR, BHUBANESWAR-21

XII COMMERCE ACCOUNTANCY ASSIGNMENT – 8

1. The following balances appeared in Plant Account and Accumulated Depreciation Account in the books of Bharat Ltd. :

Balances as at	31.03.2003	31.03.2004
	Rs.	Rs.
Plant	7,50,000	9,70,000
Accumulated Depreciation	1,80,000	2,40,000

Additional Information :

Plant costing Rs.1,45,000; accumulated depreciation thereon Rs,70,000, was sold for Rs.35,000.

You are required to :

- (a) Compute the amount of Plant purchased, depreciation charged for the year and loss on sale of plant.
 (b) Show how each of the items related to the plant will be shown in Cash Flow Statement.

2. The net profit of a company before tax is Rs.12.50,000 as on 31st March, 2003, after considering the following :

	(Rs.)
Depreciation on Fixed Assets	25,000
Goodwill Written Off	15,000
Loss on Sale of Machine	12,000

The current assets and current liabilities of the company in the beginning and at the end of the year were as follows :

Particulars	31.03.2002	31.03.2003
Bills Receivables	25,000	15,000
Bills payables	10,000	12,500
Debtors	30,000	38,800
Stock in Hand	18,000	14,000
Outstanding Expenses	8,000	7,000

Calculate Cash Flow from Operating Activities.

3. From following information prepare Cash Flow Statement as on 31st March, 2002.

Liabilities	2001	2002	Assets	2001	2002
Share Capital	80,000	1,60,000	Goodwill	30,000	20,000
General Reserve	4,000	10,000	Buildings	40,000	90,000
Profit and Loss A/c	50,000	60,000	Machinery	49,000	98,000
Creditors	5,000	3,000	Debtors	15,000	20,000
Bills Payable	15,000	25,000	Cash in Hand	20,000	30,000
	1,54,000	2,58,000		1,54,000	2,58,000

Depreciation provided during the year on machine was Rs.10,000

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 Receivable a decrease of Rs.3,000; Bills Payable a decrease of Rs.4,000 and Outstanding Expenses a decrease of Rs.2,000. Ascertain the cash flow from the operating activities.

5. Calculate Cash Flows from Operating Activities from the following information :

	Rs.
Profit for the year 2003-2004	50,000
Transfer to General Reserve during the year	10,000
Depreciation provided during the year	20,000
Profit on Sale of Furniture	5,000
Loss on Sale of Machine	10,000
Preliminary Expenses Written Off during the year	10,000

Particulars	31.03.2003(Rs.)	31.03.2004(Rs.)
Debtors	10,000	15,000
Bills Receivable	7,000	5,000
Stock	15,000	18,000
Prepaid Expenses	2,000	3,000
Creditors	20,000	18,000
Bills Payable	15,000	25,000
Outstanding Expenses	3,000	4,000

6. From the following statement, calculate the cash generated from Operating Activities :

**STATEMENT OF PROFIT
FOR THE YEAR ENDED 31ST MARCH, 2005**

Particulars	(Rs.)	Particulars	(Rs.)
To Salaries	10,000	By Gross Profit	85,000
To Rent	5,000	By Profit on Sale of Machinery	5,000
To Depreciation	20,000	BY Dividend Received	3,000
To Loss on Sale of Building	5,000	By Commission Accrued	4,000
To Goodwill Written Off	8,000		
To Proposed Dividend	10,000		
To Provision for Tax	15,000		
To Net Profit	24,000		
	97,000		97,000

7. With the help of the Balance Sheet and Profit and Loss Account of AB Ltd. Calculate Cash Flow from Operating Activities.

BALANCE SHEET OF AB LTD.

AS ON 31ST MARCH, 2005 AND 31ST MARCH, 2006

Liabilities	2005(Rs.)	2006(Rs.)	Assets	2005(Rs.)	2006(Rs.)
Share Capital	2,20,000	2,93,000	Plant	3,20,000	3,30,000
General Reserves	60,000	96,000	Accumulated	(30,000)	(38,000)
Loan	1,00,000	80,000	Depreciation		
Proposed Dividend	20,000	25,000	Patents	...	58,000
Creditors	80,000	65,000	Stock	1,00,000	1,20,000
			Debtors	70,000	67,000
			Cash	20,000	22,000
	4,80,000	5,59,000		4,80,000	5,59,000

**INCOME STATEMENT OF AB LTD.
FOR THE YEAR ENDED 31ST MARCH, 2006**

Dr.		Cr.	
Particulars	(Rs.)	Particulars	(Rs.)
To Depreciation	8,000	By Sales	3,90,000
To Salary	55,000		
To Rent	79,000		
TO Commission	27,000		
To Other Expenses	1,60,000		
To Net Profit	61,000		
	3,90,000		3,90,000
To Dividend Proposed	25,000		
To Profit Retained	36,000	By Net Profit	61,000
	61,000		61,000

8. Form the following summarised Balance Sheets of a Company, Calculate the Cash Flow from operating activities :

Liabilities	2004(Rs.)	2005(Rs.)	Assets	2004(Rs.)	2005(Rs.)
Creditors	20,000	25,000	Cash	20,000	10,000
Bills Payable	20,000	5,000	Investments	40,000	30,000
Other Current Liabilities	40,000	45,000	Stock	30,000	45,000
6% Debentures	60,000	80,000	Debtors	30,000	40,000
Profit and Loss A/c	80,000	1,10,000	Gross Block	1,00,000	1,40,000
	2,20,000	2,65,000		2,20,000	2,65,000