

CASH FLOW ANALYSIS

– PROBLEMS

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1. From the following Balance Sheet Prepare CFS as per AS-3.

LIABILITIES	2014	2015	ASSETS	2014	2015
Share Capital	12000	13000	Cash	7500	6250
Profit and Loss Appropriation Account	8000	7000	Debtors	8000	8000
Long term Loan	15000	13500	Stock	6500	6750
Sundry Creditors	7500	6000	Bills Receivable	11500	8750
Bills Payable	2500	1000	Land and Buildings	11500	7000
Debentures	14000	11500	Plant and Machinery	10000	11750
			Goodwill	4000	3500
	59000	52000		59000	52000

2. From the following analyze the net flow of operating activities, investing activities and financial activities.

LIABILITIES	2015	2016	ASSETS	2015	2016
Share Capital	48,00,000	49,60,000	Cash and Bank	2,80,000	1,70,000
Retained Earnings	5,00,000	7,20,000	Debtors	12,00,000	15,96,000
Long term Loan	10,00,000	12,00,000	Stock	9,60,000	17,00,000
Debentures	20,00,000	16,00,000	Plant and Machinery	36,00,000	35,00,000
Creditors	8,00,000	11,60,000	Land and Buildings	30,00,000	28,00,000
General Reserve	8,00,000	9,00,000	Long Term Investment	8,00,000	7,44,000
Outstanding Expenses	40,000	50,000	Prepaid Expenses	1,00,000	80,000
	99,40,000	1,05,90,000		99,40,000	1,05,90,000

3. Prepare Cash Flow Statement from the following

LIABILITIES	2017	2018	ASSETS	2017	2016
Share Capital	40000	40000	Cash and Bank	2800	1700
Retained Earnings	5000	7200	Debtors	12000	15960
Long term Loan	10000	12000	Stock	9600	17000
Debentures	20000	16000	Plant and Machinery	36000	35000
Creditors	8000	11600	Land and Buildings	30000	28000
Bills Payable	8000	9600	Long Term Investment	8000	7440
Outstanding Expenses	400	500	Prepaid Expenses	1000	800
General Reserve	8000	9000			
	99400	105900		99400	105900

Adjustment:

Purchase of Land and Building is 12000 and the balance amount should be considered in the proportion 4:6 towards Depreciation and Sale

4. Prepare CFS from the following:

LIABILITIES	2014	2015	ASSETS	2014	2015
Creditors	40000	44000	Cash	10000	7000
Debentures	25000	-	Debtors	30000	50000
Loan from Bank	40000	50000	Stock	35000	25000
Capital	125000	153000	Machinery at Net Value	80000	55000
Profit and Loss a/c	30000	75000	Land	55000	85000
			Buildings	50000	100000
	260000	322000		260000	322000

During the year a machine costing 10,000 (accumulated depreciation 3,000) was sold for 5,000. The provision for depreciation against machinery for 2014 is 25,000 and for 2015 is 40000.

5. From the following Balance Sheet Prepare a CFS as per AS-3.

LIABILITIES	2014	2015	ASSETS	2014	2015
Share Capital	60,000	50,000	Cash	10,000	15,000
Profit and Loss account	15,000	25,000	Debtors	20,000	10,000
Long term Loan	30,000	25,000	Stock	15,000	17,000
Creditors	30,000	20,000	Land and Buildings	25,000	23,000
Bills Payable	25,000	30,000	Plant and Machinery	40,000	50,000
			Goodwill	50,000	35,000
	1,60,000	1,50,000		1,60,000	1,50,000

Adjustment:

- a. Interim Dividend of 12,000 is paid

6. From the following analyze the net flow of operating activities, investing activities and financial activities.

LIABILITIES	2017	2016	ASSETS	2017	2016
Share Capital	1,15,000	1,00,000	Cash	45,000	20,000
Retained Earnings	50,000	30,000	Debtors	16,000	34,000
Long term Loan	45,000	55,000	Stock	31,000	28,000
Creditors	38,000	59,000	Land and Buildings	46,000	50,000
Bills Payable	59,000	48,000	Plant and Machinery	1,00,000	80,000
General Reserve	2,000	1,000	Goodwill	65,000	75,000
			Prepaid Expenses	3,000	2,000
			Bank	4,000	6,000
Outstanding Expenses	1,000	2,000			
	3,10,000	2,95,000		3,10,000	2,95,000