



Govt. Degree College for Men Srikakulam

Dept. of Commerce & Management

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CASH FLOW STATEMENT

As per para 5 of Accounting Standard – 3 (Revised), cash flows are inflows and outflows of cash and cash equivalents.

- Though cash flow statement, an attempt is being made to focus on cash and cash equivalents.
- Inflows (sources) may be due to issue of share capital, sale of fixed assets, sale of investments, etc.
- Outflow (usage) may be due to purchase of fixed assets, redemption of preference shares or debentures, etc.
- Difference between Inflows and outflows of cash and cash equivalents is termed as net increase or decrease in cash and cash equivalents as the case may be.

CASH AND CASH EQUIVALENTS

Accounting Standard – 3 (Revised) define cash and cash equivalents as follows:

CASH: Cash comprises cash in hand and demand deposits with bank.

CASH EQUIVALENTS: These are short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.

PREPAARATION OF CASH FLOW STATEMENT

According to Accounting Standard – 3 (Revised), following four steps are required:

- I. Calculation of Cash Flows from Operating Activities.
- II. Calculation of Cash Flows from Investing Activities.
- III. Calculation of Cash Flows from Financing Activities.
- IV. Calculation of net increase/decrease in cash and cash equivalents.

I. Calculation of Cash Flow from Operating Activities

Cash flows from operating activities can be computed with the help of Income Statement of the current year, comparative Balance Sheets and the relevant additional information. As per AS – 3 (Revised), the following types activities can be regarded as cash flow from operating activities:

- Cash received from the sale of goods or rendering some services;
- Cash received from royalties, fees, commission and other revenue;
- Cash paid to suppliers for goods or services;
- Cash paid to employees or behalf of employees;
- Cash received or paid to insurance companies for premiums claims, annuities or other policy benefits;
- Cash paid as income tax or refund of income tax unless, they can be specifically identified with financing or investing activities; and
- Cash received or paid for future contracts, forward contracts, option contracts and swap contracts, when these are held for dealing or trading purpose.

A. DIRECT METHOD

- In this method figures of income statement, e.g., sales, purchases, stock expenses are so analyzed to convert income statement based on cash basis.
- In this method cash realized from sales and cash paid for purchases and expenses will be ascertained.

Calculation of Cash from Operating Activities

	N
Cash Receipts from Sales (Customers)	xxx
<i>Less:</i> Cash paid to suppliers and employees	xxx
Net cash from Operating Activities	xxx

Step (i) Calculation Cash Receipts from Sales

	N	N
Cash Sales	xxx	xxx
Credit Sales	xxx	xxx
Add: Opening Debtors and B/R	xxx	xxx
Less: Closing Debtors and B/R	xxx	xxx
Total Cash realized from sales	xxx	xxx

Step (ii) Calculation of Cash Paid to Suppliers

Cost of goods sold	xxx	xxx
Add: Closing Stock	xxx	xxx
Less: Opening Stock	xxx	xxx
Total Purchases	xxx	xxx
Add: Opening Creditors & B/P	xxx	xxx
Less: Closing Creditors & B/P	xxx	xxx
Cash paid to Suppliers	xxx	xxx

Step (iii) Calculation of Cash paid for any Expenses

	N	N
Expenses	xxx	xxx
Add: O/S Expenses in the beginning	xxx	xxx
Less: O/S Expenses at the end	xxx	xxx
Cash paid for Expenses	xxx	xxx

Problem: From the following information available from the books of X ltd. Compute cash from operating activities.

Income Statement

For the year ending 31st March, 2012

Sales		N 18,000
Less: Cost of goods sold		N 12,200
Gross margin		N 5,800
Less: S & D Expenses	N 2,000	
Salaries	N 1,000	
Depreciation of Plant	N 500	N 3,500
Net margin		N 2,300

Current Assets and Current Liabilities

PARTICULARS	March 31, 2011 N	March 31, 2012 N
Bills Receivable	2,000	1,500
Debtors	1,000	1,500
Creditors	1,000	1,200
Bills Payable	500	200
Salaries	1,000	800
Stock –in-trade	1,000	800

Solution: Calculation of Cash Flow from Operating Activities (Direct Method)

			N
Cash Receipts from Customers			18,000
Less: Cash paid to suppliers and Employees	15,300		
Net Cash from Operating Activities	2,700		
Working Notes:			
a) Cash receipts from Customers:			
Sales during the year		18,000	
Add: Opening Debtors	1,000		
Opening B/R	2,000		3,000
			21,000
Less: Closing Debtors	1,500		
Closing B/R	1,500		3,000
Cash receipt from customers			18,000

b) Cash paid to Suppliers and Employees

Cost of goods sold		12,200
Operating Expenses (S & D + Salary)		3,000
		15,200
Add: Opening Creditors	1,000	
Opening B/P	500	
O/S Salary	1,000	
Closing Stock	800	3,300
		18,500
Less: Closing Creditors	1,200	
Closing B/P	200	
Salary at the end	800	
Opening Stock	1,000	3,200
Cash paid to Suppliers & employees		15,300

B. INDIRECT METHOD

For calculating Cash Flows from operating activities through indirect method, we start from the figure of profit, which should be before tax and extra ordinary item. Further, this profit requires certain adjustments related to non-cash and non-operating items like:

- i) An increase or decrease in the value of current assets and current liabilities, which also affect the cash flows, so these should be adjusted to net profit.
- ii) Loss on sale of assets, depreciation or fictitious or intangible assets written off are to be added back because they are non-cash items that do not result in the outflows of cash.
- iii) Other items which effects investing or financing cash flows such as profit on sale of assets, dividend or interest income, etc.

Cash Flows from Operating Activities (Indirect Method)

PARTICULARS	AMOUNT N
Net Profit before interest, tax and extraordinary items	xxx
Adjustment for:	
Depreciation	xxx
Loss on sale of fixed assets	xxx
Provision for contingencies	xxx
Provision for retirement benefits	xxx
Profit on sale of investment/fixed assets	(xxx)
Interest received	(xxx)
Operating profit before working capital changes	xxx
Add: Decrease in current assets	xxx
Add: Increase in current liabilities	xxx

Less: Increase in current assets	(xxx)
Less: Decrease in current liabilities	(xxx)
Cash generated from operations	xxx
Tax paid	(xxx)
Cash flows before extraordinary items	xxx
± Extra ordinary items	xxx
NET CASH FROM OPERATING ACTIVITIES	xxx

Treatment of Non-cash and Non-operating items (Expenses or Reserves)

- Non-cash items refer to those items which have appeared in the Income Statement as an expenditure or revenue but they do not have any impact on cash balance.
 - These items affect the net profit as shown by Income Statement without causing any inflow or outflow of cash in the business.
 - So, to convert accrual base income statement into cash base income statement, these items must be adjusted.
- a) Depreciation on Fixed Assets:**
- Being a non-cash expense, this does not lead to reduction in the cash balance in any way. So while computing cash flows from operating activities, this item should be added back to the net profit.

b) Amortization of Intangible assets, viz., Goodwill, Trade Marks, Patents, etc.:

- This amortization of intangible assets reduces the net profit but do not affect the cash flow in any way. So to calculate cash flows from operating activities, the value of amortization of assets should be added back to net profit.

c) Fictitious Assets written off, e.g., preliminary expenses:

- These also have nothing to do with the cash flows but reduce the net profit. So these expenses should be added back for the computation of cash flow from operating activities.

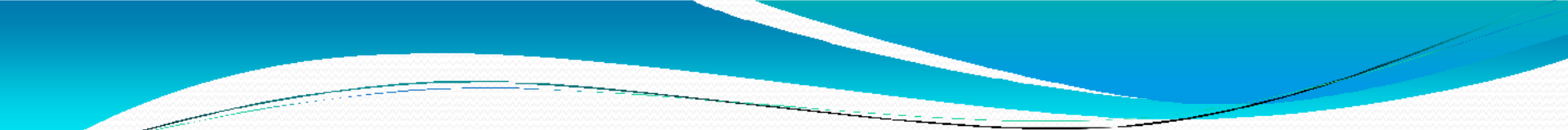
d) Profit or loss on sale of fixed assets:

- Profit or loss on sale of fixed assets should be added back or deducted respectively, to the net profit figure, so that cash flow from operating activities can be computed.



In case, a fixed assets is sold during the year following treatment should be accounted for:

- (i) Calculate the depreciation charged on the assets during the year by preparing “Accumulated Depreciation Account” to be added to the net income for the year before adjustment.
- (ii) Calculate amount of profit or loss on the sale of the part of that fixed assets which shall either of subtracted or add respectively to the net income for the year before adjustment.
- (iii) Amount of cash received on sale of asset must be added under the head “Cash Flow from Investing Activities”
- (iv) Amount of cash paid (if any) on purchase of fixed assets must be subtracted from investing activities.

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- (v) Appropriation of Profits, e.g., General Reserve, Sinking Fund, etc.:
All these items reduce the net profit figure without reducing the cash, so all such appropriation must be added back to net profit to calculate Cash Flows from Operating Activities.
 - (v) Provision for Bad and Doubtful Debts: This item also reduce the net profit but do not affect the cash. To calculate Cash Flows from Operating Activities, these items must be added back to the net profit.
 - (vii) Tax Provision, Dividend, Sale/Purchase of fixed assets:
 - In case of proposed dividends, the provision created during the year must be added to net income before adjustments and the amount actually paid during the year must be subtracted under the head “Cash Flow from Financing Activities”.
 - In case of provision for taxation, the provision created during the year must be added to net income before adjustments and the amount actually paid during the year is subtracted from “Cash Flow from Operating Activities’.

TREATMENT OF SOME SPECIAL ITEMS

1. Treatment of Interest:

- (a) If it is financial enterprise: Cash flows from interest paid and interest received should be treated as Cash Flows from Operating Activities.
- (b) If it is other than financial enterprise: Cash flows from interest paid should be treated as Cash Flows from Financing Activities while interest received should be treated as Cash Flows from Investing Activities.

NOTE: *Interest on calls-in-arrears is a cash flow from financing activities.*

2. Treatment of Dividend:

- (i) **If it is a financial enterprise:** Cash flows from dividend received should be treated as cash flows from Operating Activities, while cash flows from dividend paid should be treated as cash flows from Financing Activities.
- (ii) **If it is other than financial enterprise:** Cash flows from dividend received should be treated as cash flows from Investing Activities, while cash flows from dividend paid should be treated as cash flows from Financing Activities.

NOTE: *Dividend paid should always be treated in Cash Flows from Financing Activities.*

3. Treatment of Taxes on Income:

- Taxes on income should be disclosed separately.
- It has also stated that it can't be indentified specifically with Financing Activities or Investing Activities then, it should be classified as cash flows from Operating Activities.
- While preparing CFS current year's tax provision should be added back to the current year's profit to arrive at cash flows from operating activities.
- Tax paid during the year should be deducted from cash before tax from Operating Activities.
- Students are advised to prepare 'Provision for Tax Account' to know hidden transactions, if any.

Provision for Tax Account

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PARTICULARS	Amount N	PARTICULARS	Amount N
To Bank A/c (Tax paid)	xxx	By Balance b/d	xxx
To Balance c/d	xxx	By Profit and Loss A/c (Current year's provision)	xxx
	xxx		xxx
		By Balance b/d	xxx



NOTE:

1. Tax paid should be subtracted after deducting the refund of tax from cash before tax from operating activities as actual tax paid is the outflows.
2. In the absence of specific information Provision for Tax shown in the previous year's balance sheet should be treated as tax paid and Provision for Tax shown in the current year's balance sheet should be treated as current year's tax provision.

Example: Following are the extract from the balance sheets of ABC Ltd.

Liabilities	31.3.2011	31.3.2012	Assets	31.3.2011	31.3.2012
Profit & Loss A/c Provision for Tax	60,000 10,000	1,00,000 15,000			
	70,000	1,15,000			

Show how the related item will appear in the CFS.

Calculation of Profit before taxation and extraordinary items:

Profit made during the year	N40,000
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(N1,00,000 – N60,000)

Add: Provision for Tax	N 15,000
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NP before taxation	N55,000
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Cash Flow Statement

For the Year ended 31st March, 2012

Cash Flow from Operating Activities:

Net Profit before taxation & extraordinary items	N55,000
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Less: Income Tax paid	N10,000
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Net cash from Operating activities	N45,000
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Working Note:

Provision for Tax Account

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PARTICULARS	Amount N	PARTICULARS	Amount N
To Cash A/c (Tax paid)	10,000	By Balance b/d	10,000
To Balance c/d	15,000	By Profit and Loss A/c (Current year's provision)	15,000
	15,000		25,000

Example: Following are the extract from the Balance Sheets of ABC Ltd.

LIABILITIES	31.3.11 N	31.3.12 N	ASSETS	31.3.11 N	31.3.12 N
Profit and Loss Account	60,000	1,00,000			
Provision for Tax	10,000	15,000			
Additional information During the year tax paid N 12,000. Show how the related items will appear in CFS.					

Solution:

Calculation of Profit before taxation & extraordinary items:

Profit made during the year	N40,000
Add: Provision for Tax	N17,000

Net Profit before taxation & EOI	N57,000

Cash Flow Statement

For the year ended 31st March, 2012

Cash from Operating Activities:

Net Profit before taxation & extraordinary items	N57,000
Less: Income tax paid	N12,000

Net Cash from Operating Activities	N45,000

Working Note:

Provision for Tax Account

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PARTICULARS	Amount N	PARTICULARS	Amount N
To Cash A/c (Tax paid)	12,000	By Balance b/d	10,000
To Balance c/d	15,000	By Profit & Loss A/c (Current year's provision being balancing figure)	17,000
	27,000		27,000

Example: Following are the extract for the Balance Sheets of ABC Ltd.

	31.12.11	31.12.12
	N	N
Profit and Loss A/c	60,000	1,00,000
Provision for Tax	10,000	15,000

Additional information:

Provision for tax made during the year 2011-12 N14,000.

Solution:

Calculation of Profit before tax & extraordinary items

Profit made during the year N40,000

Add: Provision for tax N 14,000

Net Profit before tax & extraordinary items N 54,000

Cash Flow Statement

Cash from Operating Activities:

Net Profit before tax and extraordinary items	N54,000
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Less: Income tax paid	N 9,000
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Net Cash from Operating Activities	N45,000
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Working Note:

Provision for Tax Account

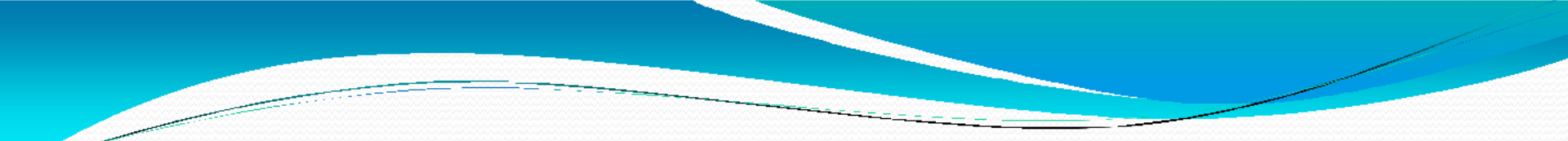
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PARTICULARS	Amount N	PARTICULARS	Amount N
To Cash A/c (Tax paid being balancing Figure)	9,000	By Balance b/d	10,000
To Balance c/d	15,000	By Profit and Loss A/c (Current year's provision)	14,000
	24,000		24,000

II. Cash Flow from Investing Activities

- Cash flows from acquisition or disposal of long-term assets or investments are termed as Cash Flows from Investing Activities.
- The important point is to be noted here that these assets have not been held by the business concern for resale.
- In this type of classification cash flows represents the expenditure which have been made with the intention to generate future income or cash flows.
- As per AS-3 (Revised) following types of activities can be regarded as cash flow from Investing Activities:
 - Cash paid for acquiring tangible or intangible fixed assets (including those relating to capitalized R & D costs).

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- Cash received from sale of fixed assets (tangibles or intangibles).
 - Cash paid for acquiring shares, warrants, or debt instruments of other enterprises and/or interests in some joint ventures.
 - Cash received from disposal or issue of shares , warrants, or debt instruments of other enterprises and/or interests in some joint ventures.
 - Cash given as an advance and loans given to third parties.
 - Cash received from the repayment of advances and losses given to third parties.

Cash Flows from Investing Activities

	N
Sale of fixed assets	xxx
Purchase of fixed assets	(xxx)
Purchase of long-term investments	(xxx)
Sale of long-term investments	(xxx)
Interest received (non-financial enterprise)	xxx
Dividend received (non-financial enterprise)	xxx
Net Cash from Investing Activities	xxx

Example:

From the following particulars, calculate cash flow from investing activities:

	N
Machinery as on 1.4.2011	80,000
Machinery as on 31.3.2012	90,000
Accumulated depreciation as on 1.4.2011	22,500
Accumulated depreciation as on 31.3.2012	37,500

Additional information:

During the year a machine costing N 37,500 with accumulated depreciation of N 21,000 sold for N 18,200. Calculate cash flow from investing activities.

Computation of Cash Flow from Investing Activities

	N
Sale of machinery	18,200
Less: Purchase of machinery	(47,500)
Net cash used in investing activities	(29,300)

Working Notes:

Accumulated Depreciation Account

To Machinery sold A/c	21,000	By Balance b/d	22,500
To Balance c/d	37,500	By P & L A/c	36,000
		(Dep. Provided during the year -Bal. fig.)	
	58,500		58,500

Machinery Account

To Balance b/d	80,000	By Machinery sold A/c	37,500
To Cash A/c	47,500	By Balance c/d	90,000
(Purchases-Bal fig.)			
	1,27,500		1,27,500

Machinery Sold Account

To Machinery A/c	37,500	By Depreciation A/c	21,000
To P & L A/c	1,700	By Bank A/c	18,200
(Profit on sale)		(Sale)	
	39,200		39,200

III. Cash Flows from Financing Activities

- Cash flows from the activities, which result in change in the shape and composition of owners' funds (including preference share capital) and borrowed funds of the business are called Cash Flows from Financing Activities.
- Some of the examples of Cash Flows from Financing Activities are as follows:
 - Cash receipts from issuance of share capital.
 - Cash receipts from issuance of Debentures and Long-term, or short-term borrowings, etc.
 - Repayment of amount borrowed.
 - Payment of dividend.

Example:

From the following information related to ABC Ltd., calculate cash flows from financing activities:

- (i) 2,000 equity shares of N 10 per share were issued at par.
- (ii) 8% Preference shares of N 10,000 were redeemed at premium of 10%.
- (iii) dividend paid N 2,000.

Solution:

Computation of Cash Flows from Financing Activities

	N
Issue of equity shares	20,000
Redemption of 8% Preference Shares (at premium)	(11,000)
Dividend paid	(2,000)
Net Cash from Financing Activities	7,000

IV. Calculation of Net Increase or Decrease in Cash and Cash Equivalents

	Opening Balance	Closing Balance
Cash in Hand	xxx	xxx
Cash at bank	xxx	xxx
Short-term Investments	xxx	xxx
Total	xxx	xxx

Cash Flow Statement

For the Year ending

PARTICULARS		Amount N	Amount N
CASH FLOWS FROM OPERTING ACTIVITIES			
Net Profit before tax and extraordinary items		xxx	
Adjustment for:			
Depreciation		xxx	
Loss on sale of fixed assets		xxx	
Gain on sale of fixed assets		(xxx)	
Loss on sale of foreign exchange		xxx	
Interest received		(xxx)	
Dividend received		(xxx)	

Operating Profit before working capital changes		xxx	
Add: Decrease in current assets	xxx		
Increase in current liabilities	xxx		
	-----	xxx	

Less: Increase in current assets	xxx	xxx	
Decrease in current liabilities	xxx		
	-----	(xxx)	

Cash generated from operating activities		xxx	

Income tax paid	(xxx)	
Cash flow before extraordinary items	xxx	
± Extraordinary items	xxx	

Net Cash from Operating Activities		xxx
Cash Flows from Investing Activities		
Receipt from sale of fixed assets	xxx	
Purchase of fixed assets	(xxx)	
Interest received	xxx	
Dividend received	xxx	
Sale of Investments	xxx	
Purchase of Investments	(xxx)	

Net Cash from Investing Activities		xxx
Cash Flows from Financing Activities		
Proceeds from issuance of share capital	xxx	
Proceeds from long-term borrowings	xxx	
Repayment of borrowings	(xxx)	
Interest paid	(xxx)	
Dividend paid	(xxx)	

Net Cash from Financing Activities		xxx

Net Increase/Decrease in Cash and Cash Equivalents		xxx



Cash and Cash Equivalents at the beginning of the period		xxx -----
Cash and Cash Equivalents at the end of the period		xxx

Problem: From the following Balance Sheets, prepare a cash flow statement as per AS-3 (Revised):

Balance Sheets

Liabilities	31.3.11	31.3.12	Assets	31.3.11	31.3.12
Share Capital	3,60,000	4,00,000	Machinery (at cost)	3,00,000	5,00,000
Reserves & Surplus	80,000	1,00,000	Less: Depreciation	80,000	1,50,000
Bank Loan	1,00,000	75,000		-----	-----
Creditors	2,10,000	2,00,000		2,20,000	3,50,000
Bills Payable	-----	5,000	Goodwill	80,000	70,000
Proposed Dividend	45,000	60,000	Investments	90,000	1,10,000
Income Tax Payable	25,000	30,000	Stock	2,00,000	2,25,000
			Debtors	2,00,000	1,90,000
			Bank	1,30,000	25,000
	9,20,000	9,70,000		9,20,000	9,70,000

Additional information :

a. During the year a part of the machinery costing N 50,000 was sold for N 25,000.

B. Depreciation provided during the year N 1,00,000.

D. Interim dividend paid during year N 25,000.

Solution:

Computation of Profit before Taxation and extraordinary items

Increase in Reserves and Surplus	20,000
Add: Tax provision	30,000
Add: Proposed dividend	60,000
Add: Interim dividend	25,000

Net Profit before taxation & extraordinary items	1,35,000

Cash Flow Statement

For the year ended 31st March, 2012

PARTICULARS	Amount N	Amount N
I. Cash Flows from Operating Activities		
Net Profit before tax and extraordinary items	1,35,000	
Adjustment for:		
Depreciation	1,00,000	
Goodwill written off	10,000	
Gain on sale of Machine	(5,000)	

Operating Profit before Working Capital changes	2,40,000	
Add: Decrease in current assets		
Debtors	10,000	
Add: Increase in current liabilities		
Bills Payable	5,000	

	15,000	

	2,55,000	

LESS: Increase in current assets:			
Stock	25,000		
Add: Decrease in current liabilities:			
Creditors	10,000		

		(35,000)	

Cash generated from Operating Activities		2,20,000	
Payment of tax		25,000	

Net Cash from Operating Activities			1,95,000
II. Cash Flows form Investing Activities:			
Purchase of Fixed Assets		(2,50,000)	
Sale of Machinery		25,000	
Investments		(20,000)	

Net Cash Used in Investing Activities			(2,45,000)

III. Cash Flows from Financing Activities:

Issue of Share Capital	40,000	
Repayment of Bank Loan	(25,000)	
Proposed Dividend paid	(45,000)	
Interim Dividend paid	(25,000)	

Net Cash Used in Financing Activities		(55,000)

Net Decrease in Cash and Cash Equivalents		(1,05,000)
Cash and Cash Equivalents in the beginning of the period		1,30,000

Cash and Cash Equivalents at the end of the period		25,000
		=====

Working Notes:

Fixed Asset Account

To Balance b/d	3,00,000	By Machinery Sold A/c	50,000
To Bank A/c (Purchases)	2,50,000	By Balance c/d	5,00,000
	-----		-----
	5,50,000		5,50,000
	-----		-----

Machinery Sold Account

To Fixed A/c	50,000	By Depreciation A/c	30,000
To P & L A/c (Profit)	5,000	By Bank A/c (Sale)	25,000
	-----		-----
	55,000		55,000
	-----		-----

Accumulated Depreciation Account

To Machinery Sold A/c	30,000	By Balance b/d	80,000
(Balancing Fig.)		By P & L A/c	1,00,000
To Balance c/d	1,50,000	(Provision)	
	-----		-----
	1,80,000		1,80,000
	-----		-----

Problem: 2010

From the following Balance Sheets of M/s. Goodluck Company, prepare Cash Flow Statement for the year ended 31st March, 2009 As per AS-3 (Revised):

Particulars	1.4.2008 N	31.3.2009 N	Assets	1.4.2008 N	31.3.2009 N
Creditors	40,000	44,000	Cash	10,000	7,000
Loan from X	25,000	----	Debtors	30,000	50,000
Loan from Bank	40,000	50,000	Stock	40,000	25,000
Capital	1,25,000	1,53,000	Machinery	80,000	55,000
			Land	35,000	50,000
			Buildings	35,000	60,000
	2,30,000	2,47,000		2,30,000	2,47,000

During the year a machine costing N10,000 with accumulation depreciation N30,000 was sold N5,000.

Solution:

Cash Flow Statement
For the year ended 31st March, 2009

PARTICULARS	AMOUNT N	AMOUNT N
A. Cash Flows from Operating Activities		
Net Profit before Taxation and Extraordinary items	28,000	
Add: Loss on sale of machine	2,000	
Add: Depreciation	18,000	

Operating Profit before Working Capital changes	48,000	
Add: Increase in Creditors	4,000	
Add: Decrease in Stock	15,000	

	19,000	

	67,000	
Less: Increase in Debtors	(20,000)	

Net Cash from Operating Activities		47,000
Cash Flows from Investing Activities		
Sale of Machinery	5,000	
Purchase of Land	(15,000)	
Purchase of Buildings	(25,000)	

Net Cash used in Investing Activities		(35,000)
Cash Flows from Financing Activities		
Loan from Bank	10,000	
Repayment of Loan from X	(25,000)	

Net Cash used in Financing Activities		(15,000)

Net Decrease in Cash and Cash Equivalents		(3,000)
Cash and Cash Equivalents at the beginning of the period		10,000

Cash and Cash Equivalents at the end of the Period		7,000

Working Note:

Machinery Account

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Particulars	Amount N	Particulars	Amount
To Balance b/d	80,000	By Bank A/c	5,000
		By Loss on Sale of Machinery	2,000
		By Depreciation A/c	18,000
		(Balancing figure)	
		By Balance c/d	55,000
	80,000		80,000



THANK YOU