

Cash Flow Statements

Working Notes

Example - 1:

Land Account

Dr.		Cr.	
Particulars	₹	Particulars	₹
To Balance B/d	40,000	By Cash A/c (Sale of land)	4,000
		By Balance C/f	36,000
	40,000		40,000

Building Account

Dr.		Cr.	
Particulars	₹	Particulars	₹
To Balance B/d	37,000	By Depreciation A/c	7,000
To Cash A/c (Purchase)	26,000	By Balance C/f	56,000
	63,000		63,000

Provision for Taxation A/c

Dr.		Cr.	
Particulars	₹	Particulars	₹
To Cash A/c (Payment of Tax)	17,000	By Balance B/d	16,000
To Balance C/f	18,000	By P & L A/c (Provision)	19,000
	35,000		35,000

Example - 2:

Plant-Machinery A/c

Dr.		Cr.	
Particulars	₹	Particulars	₹
To Balance B/d	50,000	By Depreciation	8,000
To Cash A/c (Purchase)	49,000	By Balance C/f	91,000
	99,000		99,000

Provision for Taxation A/c

Dr.		Cr.	
Particulars	₹	Particulars	₹
To Cash A/c (Payment of Tax)	2,000	By Balance B/d	1,000
To Balance C/f	3,000	By P & L A/c (Provision)	4,000
	5,000		5,000

Example - 3:

Fixed Assets A/c

Dr.		Cr.	
Particulars	₹	Particulars	₹
To Balance B/d	7,20,000	By Depreciation	40,000
To Cash A/c (Purchase)	5,60,000	By Dep. On Machine	20,000
	12,80,000	By P & L A/c (Written off)	20,000
		By Balance C/f	12,00,000
			12,80,000

Investments A/c

Dr.		Cr.	
Particulars	₹	Particulars	₹
To Balance B/d	22,500	By Cash A/c (Sale)	9,600
To Cash A/c (Purchase of Govt. Securities)	7,500	By P & L A/c (Loss on Sale)	400
	30,000	By Balance C/f	20,000
			30,000

Example - Guj. Uni. Jan. 2021:

Machinery A/c

Dr.		Cr.	
Particulars	₹	Particulars	₹
To Balance B/d	160,000	By P & L A/c Depreciation	20,000
To Cash A/c (Purchase)	260,000	By Balance C/f	400,000
	420,000		420,000

Land & Building A/c

Dr.		Cr.	
Particulars	₹	Particulars	₹
To Balance B/d	400,000	By P & L A/c Depreciation	60,000
		By Balance C/f	340,000
	400,000		400,000

Provision for Taxation A/c

Dr.		Cr.	
Particulars	₹	Particulars	₹
To Bank A/c - Paid	70,000	By Balance B/d	80,000
To Balance C/f	100,000	By P & L A/c - Provision	90,000
	170,000		170,000

Example - Guj. Uni. Nov. 2021:

Plant & Machinery A/c

Dr.		Cr.	
Particulars	₹	Particulars	₹
To Balance B/d	1,470,000	By Cash A/c (Sale)	168,000
		By P & L A/c (Loss)	42,000
To Cash A/c (Purchase)	777,000	By Depreciation A/c	147,000
		By Balance C/f	1,890,000
	<u>2,247,000</u>		<u>2,247,000</u>

Land & Building A/c

Dr.		Cr.	
Particulars	₹	Particulars	₹
To Balance B/d	1,260,000	By P & L A/c Depreciation	126,000
		By Balance C/f	1,134,000
	<u>1,260,000</u>		<u>1,260,000</u>

Investment A/c

Dr.		Cr.	
Particulars	₹	Particulars	₹
To Balance B/d	336,000	By Cash A/c (Sale)	84,000
To Cash A/c (Purchase)	63,000	By Balance C/f	315,000
	<u>399,000</u>		<u>399,000</u>

Discount on Debentures A/c

Dr.		Cr.	
Particulars	₹	Particulars	₹
To Balance B/d	--	By P & L A/c (W/o)	4,200
To 12% Debentures	8,400	By Balance C/f	4,200
	<u>8,400</u>		<u>8,400</u>

Equity Share Capital A/c

Dr.		Cr.	
Particulars	₹	Particulars	₹
		By Balance B/d	1,260,000
		By General Res. A/c Bonus	210,000
To Balance C/f	2,100,000	By Cash A/c (Issue)	630,000
	<u>2,100,000</u>		<u>2,100,000</u>

General Reserve A/c

Dr.		Cr.	
Particulars	₹	Particulars	₹
		By Balance B/d	630,000
To Eq. Share Capital Bonus	210,000		
To Balance C/f	420,000		
	<u>630,000</u>		<u>630,000</u>

12% Debentures A/c

Dr.		Cr.	
Particulars	₹	Particulars	₹
		By Balance B/d	420,000
		By Cash A/c (Issue)	159,600
		By Discount on Deb.	8,400
To Balance C/f	588,000		
	588,000		588,000

Provision for Taxation A/c

Dr.		Cr.	
Particulars	₹	Particulars	₹
		By Balance B/d	252,000
To Cash A/c - Paid	231,000	By P & L A/c Provision	315,000
To Balance C/f	336,000		
	567,000		567,000