

Q307

Investment a/c

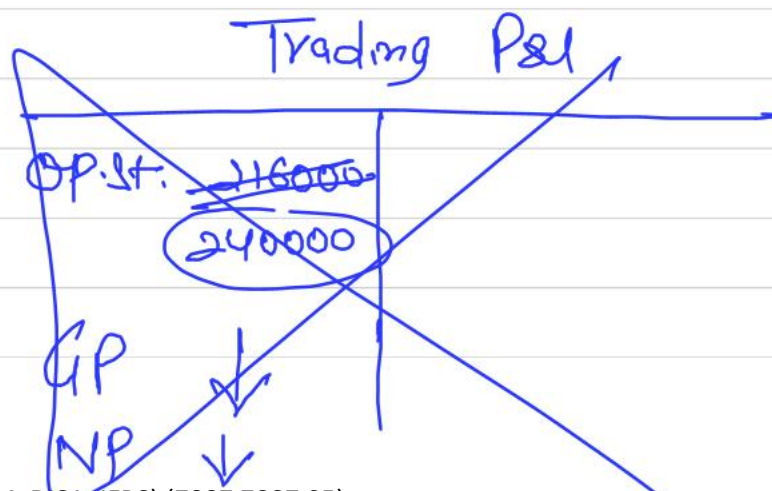
Opng 10000	By Bank 600 (Prc Acq Divd)
TO Bank 25600	
CFIA	Closg 35000

$$\begin{array}{l} \text{Cost } 100 \\ \frac{10\%}{90} \\ \hline \end{array} \text{ Opng Inventory} = 216000$$

(Cost Less 10%)

$$\text{Org. Cost of Op Inventory} = \frac{216000}{90} \times 100$$

$$= 240000$$



Surplus

(+) Transfer to GR

(+) Divd De

NPAT

(+) provision Tax

NPBT

(-) Rectification in profit due to Inventory (24000)

Q308

WN-1

Debit

Fv OF Redemption = 120000

+ S.I. prem = 6000

Payment 126000

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WN-2

Fv OF Pref. Redeemed = 120000

(+) S.I. premium = 6000

Payment 126000

← Total premium in p&l = 12000

WN-3

PPE a/c (Org. Cost)

Op. 3200000	By Prov. For Dep 80000
To Bank 856000 (Purchase)	By Bank 100000
	By Loss (P&L) 20000
	By Prov. For Dep 40000
	By P&L 16000
	Closg 3800000

~~Prov. For Dep.~~

TO PPE 80000	OP 920000
TO PPE 40000	Dep 360000
Closg 1160000	

WN-4

Op. Inventory shown in B/s = 216000
(Cost Less 10%)

$$\begin{aligned} \text{Org. Cost of Inventory} &= \frac{216000}{90\%} \\ &= 240000 \end{aligned}$$

* For Cash Flow Statement, org. Cost must be considered, hence NP shall be

Reduced by 24000 (240000 - 216000)
 due to increase in Opng Inventory.

WN-5 Opng Dividend payable of 120000
 must have been paid in Cy
 Hence it is financing activity.

There is no Closg. Divd in B/c
 Hence ignore.

CFOA :-

Surplus	100000
(+) Transfer to GR	160000
(+) Cy Divd Declared	0
NPAT	<u>260000</u>

(+) prov. for Tax	340000
NPBT	<u>600000</u>
(-) Rectification due to Op. Inventory	(24000)

(+/-) Adj:

Depreciation	360000
Loss on Sale	20000
PPE w/o	16000
Gain on Sale	(40000)
Int. on Debt	36000

Premium on
Dividend

12000

(+/-) WC Changes

Inventory	(60000)
CL	40000
Other CA	44000

Cash Before Tax	10,04,000
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(-) Tax paid	(360000)
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(A) Net Cash generated	6,44,000
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CFA

Sale of PPE	100000
Pur. of PPE	(85000)
Sale of Invest	120000

(b) Net Used	(63000)
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CFFA

Issue of Sh. Cap ^{eg.}	400000
Red. of Psc	(120000)
Red. of Deb ⁿ	(120000)

Inter. on Deb ⁿ	(36000)
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Divd (P_y) paid (120000)

(-) Net Used (8000)

Q310

1) Land purchased = 300000

(-) Share issue
 $2000 \times 12 = (264000)$

Cash paid 36000

(I)

(-)

2) Pref. shares redeemed = 22500 no.
X 100

FV = 2250000

(+) S.I. = 112500

Cash paid = 2362500

PSC Dr. 2250000

Prem. Dr. 112500

To Bank 2362500

P&L 112500
To Prem. 112500

(F)

Non Cash (+) Op.

Sale
(-) exp.

Business Income = 250000 ✓ (NP)
+

Prem. on Red.
OF Prof. Sh. Cap. P&L

Surplus XXX

(+) Transfer to GR XX

(+) Divd by De XX

(+) Prem. on Red
OF Prof. & Cap. XX
NPAT

Q301

1) 34650 Debt redeemed = financing (-)

2) 1650 Premium → op. (+)

3)

Inter.

To Bank 10100	By op. 275
Closg 1175	Int. 11000

→ F (-)

→ op (+)

4) Interest on Invest due Allowed = 3500
not receiv. - 10500

→ op (-)

Received = 24500

→ I (+)

Q2901

WN-1

Debtor a/c

Op 250	By Cash (Collection) 4000
Sale 4150	Closg. 400

WN-2

Creditor a/c

To Cash 2380	By Bal 230
To Bal 250	By purchase 2400

WN-3

Op's Wagn

Paid 790	Op. 40
Closg 50	E.B. Exp 800

WN-4

Tax

Adv. Tax 180	Prov. op. 180
Op. 195	Paid 200
Prov. Closg 200	Adv. Tax 195
	Closg

Q401

Cash Flow Statement

1) CFOA :-

Collection from Debtors	4000
(-) payment to Creditors	(2380)
(-) payment to Employees	(790)
(-) Payment of Other Exp	(130)
	<hr/>
Net Cash generated before Tax	640
(-) Tax paid	(195)
	<hr/>
(a) Net Cash generated from Oper. Act.	<u>445</u>

Indirect

CFOA :-

NPBT	=	710
(+) <u>Adjust :-</u>		
Depreciation	=	+ 100
F. lost	=	+ 60
Other Income	=	(100)

(+) WC Changes :-

(+) of wages = 10

(+) Of Exp = 10

(+) T. Payables = 20

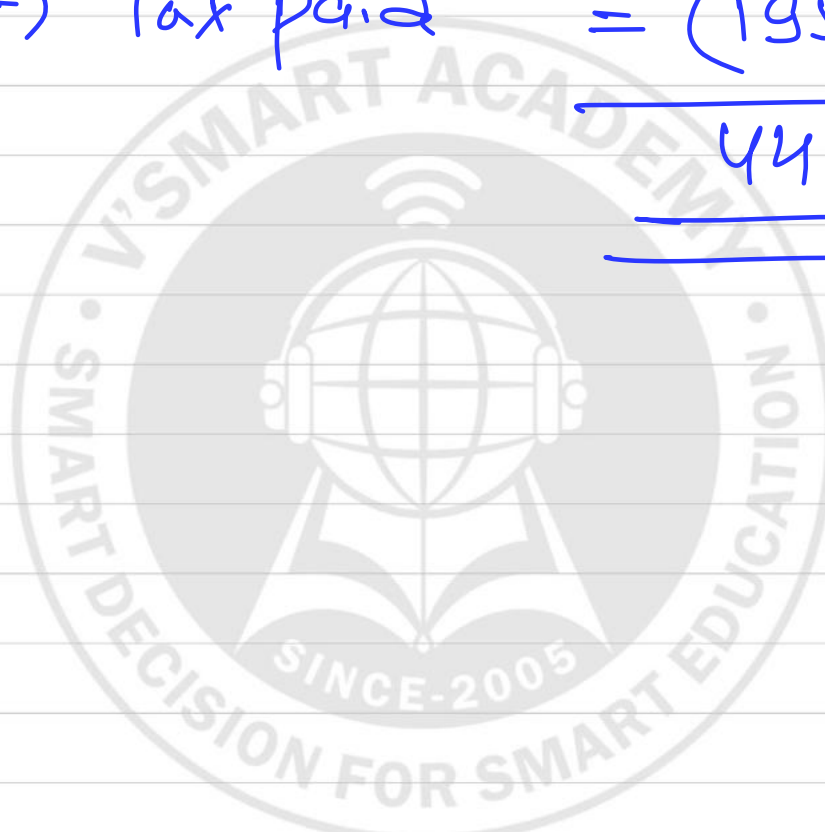
(-) Inventory = (20)

(-) T. Receiv. = (150)

640

(-) Tax paid = (195)

445



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