

20.8.20

# Management Accounts

B. Com Part III

Chapter - Cash flow statement -  
Numerical, Exercise. ① ② S.K. Singh

By

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Question - ①

Classify the following transaction according to operating activity, financing activity, and financial activity:

- ① Sale of goods costing 20000 for 25000.
- ② 500, 12% preference of 100 each converted into equity share of equal amount.
- ③ 10000 supplier of machine issued to equity share of 10 each issued to
- ④ dividend received on share. 8000
- ⑤ profit on sale of fixed assets Rs. 15000
- ⑥ Cash proceeds from issue of equity share. Rs. 1,00,000

Ans.

- (i) Operating Activities: Cash is increased by 25000
- (ii) No Cash Activity i.e. None (to be mentioned as foot note.)
- (iii) No Cash Activity.
- (iv) Investing Activities (Gn flow, cash is increased)
- (v) Investing Activity (Gn flow, cash is increased)
- (vi) Financial Activity (Gn flow, cash is increased)

(2) Question.  
Calculate cash from operating Activities of Ashoka Limited from the following information by the direct method.

Particulars	Amount	Particulars	Amount
Cash sales	6,00,000	Rent Paid	10,000
Cash received from Debtors	4,00,000	Office expenses paid	4,000
Cash purchase	3,00,000	Insurance claims for loss of stock	50,000
Cash paid to creditors	1,60,000	Income Tax Paid	50,000
Salaries paid	2,00,000	Tax Refund Received	12,000
Commission paid	20,000	Royalties Received	30,000