

2.8.20

Management Accounts  
 B. Com Part III  
 Chapter - Cash Flow Statement  
 Numerical exercise (3) S.K. Singh  
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 R.N.C. Hajipur

Question.

Calculate cash flow statement from the following activities by direct method for the year ended 31 March 2020.

Particulars	Amount	Particulars	Amount
Cash sales -	75000	Cash Payment for:	
Receipt from debtors -	200000	Salary -	20000
Commission Received -	40000	Rent -	12000
Payment to supplier -	50000	Proceeds from Food Relief settlement -	10000
Cash Purchases -	10000	Income Tax Paid -	30000
Outstanding Rent -	5000		

ANS.

Cash flow from operating Activities  
(Direct Method)  
(For ending year 31 March 2020)

Particulars	£	£
(A) operating cash receipts:		
cash sales -	75000	
Receipts from debtors.	202000	
Commission received.	40000	
		£ 15000
(B) operating cash payments: -		
Payment to supplier.	50000	
cash purchase -	10000	
Salaries -	20000	
Rent -	12000	
		(92000)
(C) Cash from operating Activities before taxation and extraordinary items (A - B)		223000
(-) Income Tax Paid -		30000
		193000
(D) Cash flow from operations before extra-ordinary items.		
+ Proceeds from Good Relief settlement (Extra ordinary item)		10000
Net Cash from operating Activities		203000