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Management Accounts

B. Com Part III

Chapter: Cash flow & Statement
Numerical Exercise - 10 S. K. Singh.
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Question

Compute Cash flow operating Activities from the following details:

	2015	2016
Balance in Profit & loss	110000	120000
debtors -	50000	62000
outstanding Rent	24000	42000
goods -	80000	76000
Prepaid Insurance -	8000	4000
creditors / payable Account	26000	38000

Ans.

Calculation of Cash from operating Activity.

Particulars	Rs	Rs.
net profit - (2016)		110000
(-) profit (2015)		120000
		<hr/>
		(10000)
Net loss during the year / profit before tax		
+ decrease in current assets		
Debtors —	12000	
increase in current liabilities	Nil	
		<hr/>
		12000
(-) Increase in current assets:		
decrease in prepaid insurance	(4000)	
decrease in current liabilities:		
outstanding rent	(18000)	
creditors —	(12000)	
		<hr/>
		34000
Cash less from operating Activities		<hr/> <hr/> (32000)