

25.8.20

Management Accounts  
B. Com Part III

Chapter Cash Flow Statement

Numerical Exercise (5) S.K. Singh.

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Question.

Activity - by using the following information, calculate cash flow from operations by using direct method.

(Income Statement for the year ended 31 March, 2016)

Particulars	Amount ₹	Amount ₹
I. Revenue from operations (Sales)		5 00 000
II. Cost of goods sold.	3 00 000	
employee benefit expenses	70 000	
depreciation	20 000	
other expenses (Insurance)	10 000	
Total expenses		4 00 000
N.P. - (I - II) =		<u>1 00 000</u>

(B)

Cash paid to supplier:- 300 000  
Cost of goods sold.

+ closing stock -

(-) opening stock.

42000  
342000  
36000

to total purchase. 306 000

+ opening balance of credit 20 000  
(-) closing balance of credit 326 000  
16 000

Cash paid to supplier (3,70,000)

(C)

Cash paid to employees:-

Salaries -

to IS Salaries during

(-) O/S Salaries end

7000  
10000  
80000  
12000

(68000)

(D)

Insurance Premium paid:-

+ Closing prepaid 10 000  
4 000

(-) opening prepaid 14 000  
3 000

11 000

(11000)

Cash from operating Activity -

91 000

A - (B + C + D)

91 000