Cash Flow

(7) Cash flow from operating Activity

profit during the year	250,000	-
Add: Depreciation of F.A	10,000	
Amortisation of G/W	5,000	
Loss on sale of Machinery	7,000	
Less: Profit on Sale of Land	(3000)	269000
Changes in Working Capital		
Increase ~~Decrease~~ in trade Receivable	(1,000)	
Decrease in trade Payable	(5,000)	
Decrease in prepaid Exp	2,000	(4,000)
		265,000

(19)(B) Calculation of Cash flow from operating Activity

Particulars	Details	Total
Difference in profit (60,000 — (-)12000)	72000	
Add: T/F to General Reserve	40,000	
• Preliminary expenses written off	10,000	
• T/F to provision	6,000	128000
Changes in Working Capital		
Increase in trade Receivable	(32000)	
Decrease in trade Payable	(8,000)	
Decrease in Prepaid Expenses	2500	
Decrease in Outstanding Exp.	(4000)	(41500)
		86,500

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(22) Cash Flow from Investing Activity

Particulars	Details	Total
• Purchase of Land	(10,00,000)	
• Sale of 10% long term Investment	150,000	
• Purchase of Goodwill	(65000)	
• Purchase of plant & Machinery	(188,000)	
• Sale of plant and Machinery	35000	
	10,28000	

Notes

Machinery A/c

Particulars	₹	Particulars	₹
To Balance b/d	200,000	By depreciation	60,000
To profit and Loss	7000	By Bank (Sale)	35000
To Bank (Purchase)	1,88,000	By Balance c/d	300,000
	395,000		3,95,000

Profit or loss on Sale

CP	40,000
Less: Dep	12000
Value	28000
SP	35,000
profit	7000

(23) Calculation of Cash flow from Investing Activity

Particulars	Amt	Total
• Interest Received on NCA	50,000	
• Dividend Received on NCA	20,000	
• Sale of NCA	460,000	~~530,000~~
• Rent Received	25000	555,000
- purchase of fixed Assets	(480,000)	
• purchase of NCA	(660,000)	(11,40,000)
		5,85,000

Fixed Assets

To Balance b/d	1500,000	By depreciation	160,000
To Bank (purchase)	480,000	By Balance c/d	18,20,000
	19,80,000		1980,000

Non Current Investment

To Balance b/d	800,000	By Bank (Sale) 400,000 + 60,000	460,000
To Bank (purchase)	6,60,000	By Balance c/d	10,00,000
	1460,000		14,60,000