(25) Cash Flow from Investing Activity

| Particulars | Amount |
|---|---|
| Sale of Machine | 150,000 |
| Sale of Patent | 45,000 |
| (-) Purchase of Machine | (1,35,000 |
| ~~Purchase of Goodwill~~ | |
| | 160,000 |

## Notes

### Plant and Machinery

| | | | |
|---|---|---|---|
| To Bal. b/d | 800,000 | By Bal. b/d | 270,000 |
| To Profit/Loss. | 10,000 | By depreciation | 80,000 |
| To Bank (Purchase) | 1,35,000 | By Bank (Sale) | 150,000 |
| To Bal. c/d | 3,15,000 | By Bal. c/d | 7,60,000 |
| | 1260,000 | | 1260,000 |

## (28) Cash flow from Financing Activity

| Particulars | Amount |
|---|---|
| Issue of Equity Share (500,000 + 10,000) | 5,10,000 |
| Issue of debentures (200,000 − 2000) | 1,98,000 |
| Redemption of debentures (100,000 + 5000) | (105,000) |
| Redemption of pref. share (100,000 + 2000) | (102000) |
| Underwriting Commission Paid (510,000 × 2.5%) | (12750) |
| Interest paid on 7% debentures | (7,000) |
| Dividend paid on pref. share | (8000) |
| | 4,73,250 |

(31)

## Cash flow from financing Activity

| Particulars | Details | Total |
|---|---|---|
| Issue of pref. shares (200,000 + 0) | 200,000 | 200,000 |
| Redemption of debentures (300,000 + 15000) | (315,000) | |
| Preference dividend paid | (8,000) | |
| Interest on debentures (300,000 × 10% × 9/12) | (22500) | (345,500) |
| Cash used in financing Activity | | (145,500) |

## Equity Share Capital

| | ₹ | | ₹ |
|---|---|---|---|
| | | By Balance b/d | 10,00,000 |
| | | By Reserve A/c | 2,50,000 |
| To Balance c/d | 12,50,000 | | |
| | 12,50,000 | | 12,50,000 |

(37) Cash flow statement

| Particulares | Details | Total |
|---|---|---|
| **Cash flow from operating Activity** | | |
| Difference in Profit | 1,20,000 | |
| Depreciation on Machinery | 65,000 | |
| Interest on debentures | 28,800 | |
| • Increase in Creditores | 20,000 | |
| • Decrease in Bills Payable | (80,000) | |
| • Increase in Outstanding Rent | 20,000 | |
| • Decrease in Inventories | 40,000 | |
| | | 216800 |
| **Cash Flow from Investing Activity** | | |
| Purchase of Non Current Invest. | (80,000) | |
| Sale of Machinery | 32000 | |
| Purchase of Machinery | (240,000) | |
| | | (288000) |
| **Cash Flow from financing Activity** | | |
| Issue of debentures | 80,000 | |
| Interest on debentures (320,000 X 9%) | (28,800) | |
| | | 51200 |
| Balance | | (20000) |
| Opening Cash and Cash Equivalent | | 80,000 |
| Closing Cash and Cash Equivalent | | 60,000 |

## Machinery A/c

| | | | |
|---|---|---|---|
| To Bal. b/d | 13,00,000 | By Bal. b/d | 100,000 |
| To Bank (purchase) | 240,000 | By depreciation | 65000 |
| | | By Bank (sale) | 32000 |
| | | By P/L A/c | 3000 |
| To Bal. c/d | 150,000 | By Bal. c/d | 14,90,000 |
| | 1690,000 | | 16,90,000 |

* ~~Acc~~ Depreciation = 150,000 + 15000 − 100,000
= 65,000