

D3. Naina

B.com VI Sem Management A/c

Fund Flow Statement (Schedule of change in working capital)
(for the year ended ...)

Particulars	P. Y or Beginning of the year	C. Y or end of the year	Working Capital Increase
<u>Current Assets</u>			
Cash in hand	—	—	
Cash at Bank			
Short term Investment			
Sundry Debtors			
B/R			
Accrued Income			
Prepaid Expenses			
Stock			
Other Current Assets			
<u>TOTAL (A)</u>			
<u>Current Liabilities</u>			
Sundry Creditors			
B/P			
O/S Exp			
Income received in Advance			
Bank overdraft			
Other Current Liab			
<u>TOTAL B</u>			
<u>Working Capital (A - B)</u>			
<u>Increase/Decrease in working Capital</u>			

Adjusted Profit & Loss Account

3
To Depreciation
To loss on sale of fixed assets
To loss on sale of long term-
Investment
To preliminary exp written off
To also written off-
To Discount on Debenture
written off-
To provision for taxation
To Dividend / Interim Dividend
To proposed Dividend
To Transfer to Reserves
To Transfer to Sinking Fund
3 Bal / c / d

By Bal / b / l
By profit on sale of
By profit on long term
By Reserves of
By Dividend on
By Fund for
(Balance)

Q.1

Q. Solution - A Company earned a profit of Rs 1,20,000 during the year 2018-19 After Adjusting

- | | |
|--|---------------|
| ① Depreciation | Rs |
| ② E/L written off | 30,000 |
| ③ profit on sale of Fixed Assets | 20,000 |
| ④ Proposed Dividend | 5,000 |
| ⑤ Loss on Sale of long term Investment | 48,000 |
| ⑥ Dividend received | 10,000 |
| | <u>30,000</u> |

Calculate fund from operation?

Solution Calculation of Fund from operation
Adjusted profit & Loss A/c.

Particulars	Amount	Particulars	Amount
To Net profit for the year	1,20,000	By profit on sale of Fixed Assets	20,000
To Dep.	30,000	By Dividend recd.	10,000
To E/L written off	20,000	By Fund from operations	48,000
To proposed Dividend	48,000		
To Loss on Sale of Long term Investment	10,000		
			<u>1,20,000</u>

Q.2

prepare a schedule of change in working Capital

particulars	March	
	2018	2019
<u>Assets</u>		
Cash		
Debtors	30,000	45,000
Stock	120,000	117,000
Land	80,000	90,000
	50,000	70,000
TOTAL	280,000	3,22,000
<u>Liabilities</u>		
Share Capital	200,000	250,000
Creditors	25,000	12,000
B/p	15,000	9,000
Bank Overdraft	30,000	24,000
Retained Earnings	10,000	27,000
	280,000	3,22,000

Statement of changes in working Capital

Particulars	2018	2019	Working Capital changes	
			Increase	Decrease
<u>Current Assets</u>				
Cash	30,000	45,000	15,000	—
Debtors	120,000	117,000	—	3,000
Stock	80,000	90,000	10,000	—
TOTAL A	230,000	252,000		
<u>Current Liabilities</u>				
Creditors	25,000	12,000	13,000	—
B/P	15,000	9,000	6,000	—
Bank overdraft	30,000	24,000	6,000	—
TOTAL B	70,000	45,000		
Working Capital	160,000	207,000		
Change in working Capital	47,000	—		
	207,000	207,000	50,000	

Q.3

prepare a statement of change in working

particulars	31.3.2018	31.3.2019
Sundry creditors	70,000	80,000
Debtors	130,000	150,000
B/R	13,000	11,000
B/P	10,000	8,000
pre paid exp	15,000	2,000
o/s exp	3,000	2,500
Stock	160,000	140,000
Investment in Govt Security	—	30,000

③ statement of change in working capital

Particulars	31 March		Working Capital	Increase	Decrease
	2018	2019			
Current Assets					
Sundry Debtors	130,000	150,000	20,000		
B/R	13,000	11,000	—		
prepaid exp	1500	2000	500		
Stock	160,000	140,000	—		
Govt. Securities	—	30,000	30,000		
Total (A)	304,500	3,33,000			
Current Liabilities					
Sundry Creditors	70,000	80,000	—		
B/P	10,000	8,000	2,000		
o/s exp	3,000	2,500	500		
Total (B)	83,000	90,500			
Working Capital	221,500	2,42,500			
Change in Working Capital	21,000	—			
	242,500	2,42,000	5300		