

INTERNATIONAL INDIAN SCHOOL BURAI DAH

Worksheet for the Academic Year 2025-26

CLASS: 12

SUBJECT: ACCOUNTANCY

LESSON : 5 Cash Flow Statement

Answer the following questions :

Q1. Which of the following is not cash out flow from Operating Activities?

- a. cash paid to trade payables b. payment of operating expenses
- c. payment of interest d. tax paid

Q2. Cash Flow Statement is based upon :

- a. accrual basis of accounting b. cash basis of accounting
- b. accounting equation d. none of these

Q3 Cash flow example from an operating activity is :

- a. purchase of own debenture b. sale of fixed assets
- c. interest paid on term - deposits by a bank d. issue of equity share capital

Q4 Statement of cash flows includes :

- a. Financing Activities c. Operating Activities
- b. Investing Activities d. All of the above

Q5. Read the following statements : Assertion (A) and Reason (R). Choose one of the correct alternatives given below :

Assertion (A) : Assets acquired by issue of shares are not disclosed in cash flow statement.

Reason (R) : It is a non cash transaction; so not included in cash flow statement.

- a. Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
- b. Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A).
- c. Assertion (A) is true but Reason (R) is false.
- d. Assertion (A) is false but Reason (R) is true.

Q6. Short-term deposits are known as _____.

Q7. Proceeds from the sale of fixed assets is shown under _____ in the Cash Flow Statement.

Q8. Purchase and sale of securities by a _____ company in an operating activity.

Q9. Decrease in Bank Overdraft is shown under _____ activity in cash flow statement

Q10. . What is the objective of preparing Cash Flow Statement?

Q11. Give the meaning of Cash equivalents for the purpose of preparing Cash Flow Statement.

Q12. Anand Ltd., arrived at a net income of Rs. 5,00,000 for the year ended March 31, 2017. Depreciation for the year was Rs. 2,00,000. There was a profit of Rs. 50,000 on assets sold which was transferred to Statement of profit and Loss account. Trade receivables increased during the year Rs. 40,000 and Trade Payables also increased by Rs. 60,000. Compute the cash flow Operating activities by the indirect approach.

Q13. From the following details. Calculate Cash Flow from Investing activities

Particulars	Closing Balance (Rs.)	Opening Balance (Rs.)
Machinery (At Cost)	10,00,000	9,50,000
Accumulated Depreciation	1,50,000	1,10,000
Patents	2,00,000	3,00,000

- During the year, machine costing Rs. 90,000 with accumulated depreciation of Rs. 60,000 was sold for Rs. 50,000.
- Patents written off were Rs. 50,000 while a part of patents were sold at a profit of Rs. 40,000

Q14. Grand Hospitality Ltd., reported Net Profit after Tax of Rs. 6,40,000 for the year ended 31st March, 2021. The relevant extract from Balance Sheet as at 31st march, 2021 is :

Particulars	31st March, 2021 (Rs.)	31st March, 2020(Rs.)
Inventories	1,15,000	1,25,000
Trade Receivables	1,50,000	1,10,000
Prepaid Expenses	20,000	6,000
Trade Payables	1,10,000	80,000
Provision for Tax	20,000	15,000

Depreciation charged on Plant and Machinery Rs. 55,000; insurance claim received Rs. 50,000; gain (profit) on sale of investment Rs. 20,000; appeared in the Statement of Profit and Loss for the year ended 31st March, 2021. Calculate Cash Flow from Operating Activities.

Q15. For each of the following transactions, calculate the resulting cash flow and state the nature of cash flow, viz. Operating, investing and Financing.

- Acquired machinery for Rs. 2,50,000 paying 20% by cheque and executing a bond for the balance payable.
- Paid Rs. 2,50,000 to acquire shares inform a Tech. and received a dividend of Rs. 50,000 after acquisition.
- Sold machinery of original cost Rs. 2,00,000 with an accumulated depreciation of Rs. 1,60,000 for Rs. 60,000.

Q16.

On 31st March, 2024 following is the Balance Sheet of Bhavik Limited :

Bhavik Ltd.

Balance Sheet as at 31st March 2024

Particulars	Note No.	31-3-2024 (₹)	31-3-2023 (₹)
I. Equity and Liabilities :			
1. Shareholders funds			
(a) Share Capital		12,00,000	10,00,000
(b) Reserves and Surplus	1	4,00,000	3,00,000
2. Non-current liabilities			
Long-term borrowings	2	6,00,000	10,00,000
3. Current Liabilities			
(a) Trade Payables		5,00,000	1,00,000
(b) Short-term provisions	3	3,00,000	4,00,000
Total		30,00,000	28,00,000
II. Assets :			
1. Non-current Assets			
(a) Property, Plant and Equipment and Intangible Assets			
Property plant and equipment	4	19,00,000	15,00,000
(b) Non-current Investments		3,00,000	4,00,000
2. Current Assets			
(a) Inventories		4,50,000	3,50,000
(b) Trade Receivables		2,50,000	4,50,000
(c) Cash and Cash Equivalents		1,00,000	1,00,000
Total		30,00,000	28,00,000

Notes to Accounts :

Note No.	Particulars	31-03-2024 (₹)	31-03-2023 (₹)
1.	Reserves and Surplus i.e. Balance in Statement of Profit and Loss	4,00,000	3,00,000
2.	Long-term borrowings 10% Debentures	6,00,000	10,00,000
3.	Short-term provisions Provision for tax	3,00,000	4,00,000
4.	Property plant and equipment Plant and Machinery Less : Accumulated Depreciation	21,50,000 2,50,000 19,00,000	16,00,000 1,00,000 15,00,000

Additional Information :

(i) During the year a piece of machinery costing ₹ 8,00,000 accumulated depreciation thereon ₹ 50,000 was sold for ₹ 6,50,000

(ii) Debentures were redeemed on 31-03-2024.

Calculate :

(a) Cash flows from Investing Activities

(b) Cash flows from Financing Activities