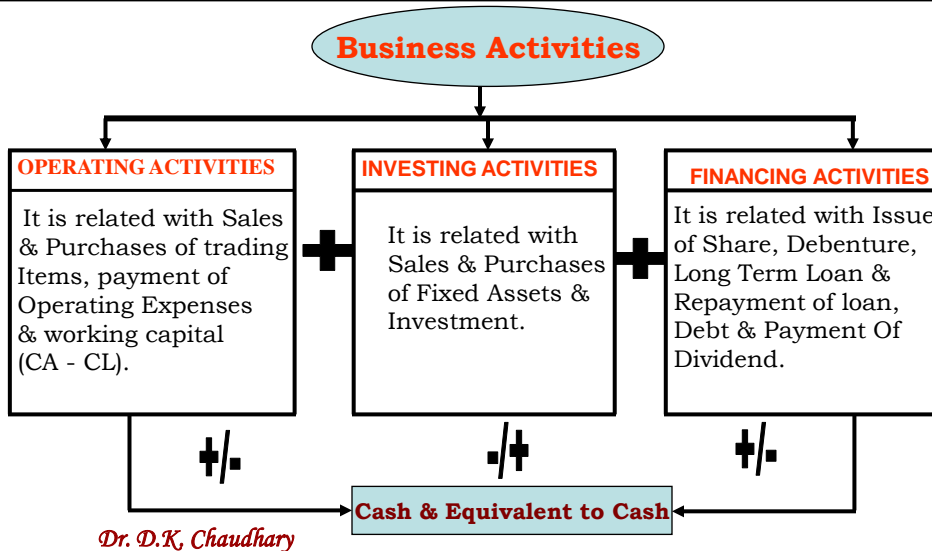


CASH FLOW STATEMENT

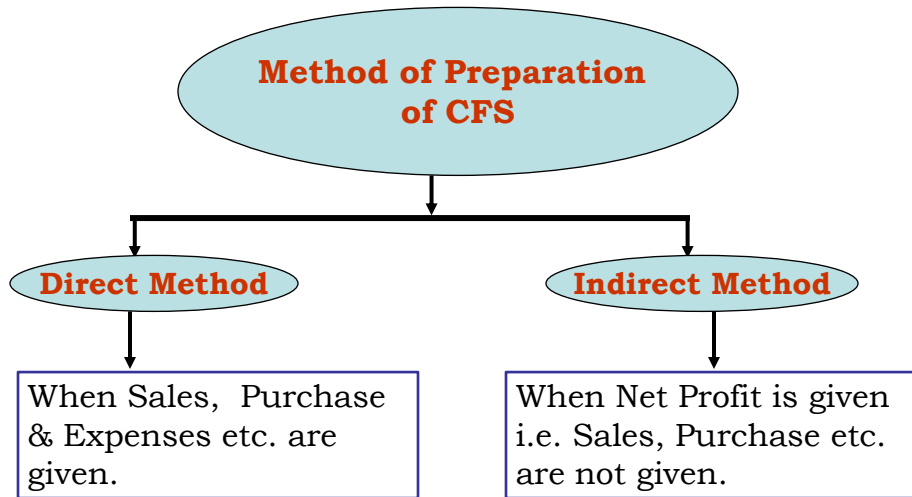
Cash flow statement is the statement showing inflow and out flow of the cash. Cash is the combination of Coin, Note, Cheque, Draft etc.



Transactions

Affect on Cash

Assets Increase	→	Cash Decrease
Assets Decrease	→	Cash Increase
Liabilities Increase	→	Cash Increase
Liabilities Decrease	→	Cash Decrease
Expenses Increase	→	Cash Decrease
Income Increase	→	Cash Increase



Cash Flow Statement (Under Direct Method)

Cash Flow From Operating Activities

Components Including Operating Activities

- a. Cash Sales & Collection from Customer**
- b. Cash Purchase & Payment to Supplier**
- c. Payment to Employees and Other Operating Exp.**
- d. Payment of Interest Exp.**
- e. Receipt of Income**
- f. Payment of Tax**

Format
Cash Flow Statement of
(Under Direct Method)

Particulars	Amt .(Rs.)
<u>Cash Flow From Operating Activities</u>	
<u>Cash Sales & Collection from Customer</u>	
Net Sales (Total Sales – Sales Return)	xxxx
Discount Allowed	(xxxx)
Bad Debts Recovered	xxxx
Bad Debts Written off	(xxxx)
Increase in Provision for Bad debts	xxxx
Decrease in Provision for Bad debts	(xxxx)
Increase in Debtors, A/R, B/R, N/R	(xxxx)
Decrease in Debtors, A/R, B/R, N/R	xxxx
a. Cash Sales & Collection from Customer	++++
<u>Cash Purchase & Payment to Supplier</u>	
Cost of Goods Sold (Op. St. + Pur. – Cl. St.)	(xxxx)
Discount Received	xxxx
Increase in creditors, A/P, B/P, N/P	xxxx
Decrease in creditors, A/P, B/P, N/P	(xxxx)
Increase in Inventories	(xxxx)
Decrease in Inventories	xxxx
b. Cash Purchase & Payment to Supplier	(xxxxxx)

Particulars	Amt .(Rs.)
<u>Payment to Employees and Other Operating Exp.</u>	
Wages & Salaries	(xxxx)
Office & Adm. Exp.	(xxxx)
Selling & Distrib. Exp	(xxxx)
[All operating except Depn., Interest & Tax]	
Increase in Outstanding Exp.	xxxx
Decrease in Outstanding Exp.	(xxxx)
Increase in Prepaid Exp.	(xxxx)
Decrease in Prepaid Exp.	xxxx
c. Payment to Employees and Other Operating Exp.	(xxxx)
<u>Payment of Interest Exp.</u>	
Interest Exp.	(xxxx)
Increase in Outstanding Interest Exp.	xxxx
Decrease in Outstanding Interest Exp.	(xxxx)
Increase in Prepaid Interest Exp.	(xxxx)
Decrease in Prepaid Interest Exp.	xxxx
d. Payment of Interest Exp.	(xxxx)
<u>Receipt of Income.</u>	
Interest, Rent, Dividend Received	xxxx
Increase in Outstanding Income.	(xxxx)
Decrease in Outstanding Income.	xxxx
Increase in Prepaid Income	xxxx
Decrease in Prepaid Income	(xxxx)
e. Receipt of Income	xxxx

Particulars	Amt .(Rs.)
<u>Payment of Tax</u>	
Provision for tax /Tax Paid [ASPIS]	(xxxxx)
Increase in Provision for tax [ASBS]	xxxxx
Decrease in Provision for tax [ASBS]	(xxxxx)
Increase in Prepaid Tax [ASBS]	(xxxxx)
Decrease in Prepaid Tax [ASBS]	xxxxx
f. Payment of Tax	(xxxxx)
Net cash from Operating Activities Before Extra Ordinary Item (a+b+c+d+e+f)	xxxxxxx
Increase in Bank Overdraft, Short term loan	xxxxxx
Decrease in Bank Overdraft, Short term loan	(xxxxxx)
A. Net Cash from Operating Activities	xxxxxx

Particulars	Amt .(Rs.)
Cash Flow From Investing Activities	
Purchase of Fixed Assets	(xxxxx)
Sales of Fixed Assets	xxxxx
Purchase of Investment	(xxxxx)
Sales of Investment	xxxxx
B. Net Cash Flow From Investing Activities	(xxxxx)
Cash Flow From Financing Activities	
Issue of Share / Increases in Share Capital	xxxxx
Issue of Debenture / Increases in Debenture	xxxxx
Redemption of Debenture / Decreases in Debenture	(xxxxx)
Increase in Long Term Loan / Loan Taken	xxxxx
Decrease in Long Term Loan / Repayment of Loan	(xxxxx)
Dividend Paid	(xxxxx)
C. Net Cash Flow From Financing Activities	xxxxxx
Net Change in Cash & Equivalent to Cash [A+B+C]	xxxxxx
Add- Opening Cash Balance (Cash + Bank + M/S)	xxxxx
Closing Cash Balance (Cash + Bank + M/s)	xxxxx

Working Note

Ledger should be opened only of non current items, when additional information is given.

- 1. Fixed Assets (in the case of net concept)**
 when accumulated depn., depn. Fund & Provision for depn.
 Is not given inside of Balance Sheet.

Dr.		Fixed Assets A/C		Cr.	
Particulars	Amt.	Particulars	Amt.		
To, Balance b/d (LY)	xxxx	By, Depn. (dep. For the year)	xxxx		
To, P/L A/c (Gain on sales)	xxxx	By, Bank A/c (Sales) [B/F]	xxxx		
To, Bank A/c (Purchase) [B/F]	xxxx	By, P/L A/c (Loss on sales)	xxxx		
		By, Balance c/d (CY)	xxxx		
	xxxx		xxxx		

- 2. Fixed Assets (in the case of gross concept / at cost)**
 when accumulated depn., depn. Fund & Provision for depn.
 Is given inside of Balance Sheet.

Dr.		Fixed Assets A/C		Cr.	
Particulars	Amt.	Particulars	Amt.		
To, Balance b/d	xxxx	By, Acc. Dep. a/c (dep. On sold assets)	xxxx		
To, P/L A/c (Gain on sales)	xxxx	By, Bank A/c (Sales) [B/F]	xxxx		
To, Bank A/c (Purchase) [B/F]	xxxx	By, P/L A/c (Loss on sales)	xxxx		
		By, Balance c/d	xxxx		
	xxxx		Xxxx		

Dr.		Acc. Depn. A/C		Cr.	
Particulars	Amt.	Particulars	Amt.		
To, Fixed Assets A/c {Dep on sold Assets} [B/F]	xxxx	By, Balance b/d	xxxx		
To, Balance c/d	xxxx	By, P/L A/c (Dep 4 d year)	xxxx		
	xxxx		xxxx		

Note : Purchase of F/A = Net increase + Depr. For the year.

3. Investment A/c

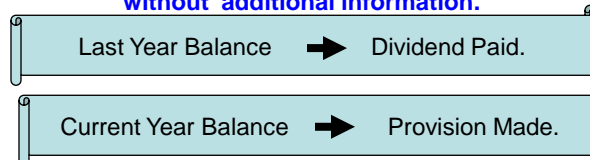
Dr.		Investment A/C		Cr.	
Particulars	Amt.	Particulars	Amt.		
To, Balance b/d	xxxx	By, Bank A/c (Sales) [B/F]	xxxx		
To, Bank A/c (Purchase) [B/F]	xxxx	By, P/L A/c (Loss on sales)	xxxx		
To, P/L A/c (Gain on sales)	xxxx	By, Balance c/d	xxxx		
	xxxx				Xxxx

5. Treatment of Cash Dividend

a. When provision for dividend is given in the balance sheet along with additional information.

Dr.		Provision for Dividend A/C		Cr.	
Particulars	Amt.	Particulars	Amt.		
To, Dividend Paid {B/F}	xxxx	By, Balance b/d	xxxx		
To, Balance c/d	xxxx	By, P/L A/c (Provision made)	xxxx		
	xxxx				xxxx

b. When provision for dividend is given in the balance sheet without additional information.



c. When provision for dividend is given in the Income Statement Only. It is Treated as Dividend Paid. It Means deduct in Financing Activities

d. When information about dividend is not given.

Dr.		Retained Earning / PL App. A/C		Cr.	
Particulars	Amt.	Particulars	Amt.		
To, Dividend Paid {B/F}	xxxx	By, Balance b/d	xxxx		
To, Balance c/d	xxxx	By, Profit & Loss A/c (Net Profit)	xxxx		
	xxxx		xxxx		

Calculation of Amount of Issue of Share / Debenture

Difference in balance (current year – last year).....XXX
 Add- Difference in Premium (current year – last year).....XXX
 Less- Difference in Discount (current year – last year).....(XXX)
Issue of Share / Debenture.....XXX

Calculation of Amount of Redemption of Debenture

Different in balance (last year – current year) XXX
 Add- Redemption PremiumXXX
 Less- Redemption Discount(XXX)
Amount of Redemption of DebentureXXX