Accountancy

Class – XII: Sample Paper

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SAMPLE PAPER- 1 (solved)

ACCOUNTANCY
Class – XII

Time allowed: 3 hours **Maximum Marks: 80**

General Instructions:

1. This question paper contains Two parts A & B.
2. Both the parts are compulsory for all.
3. All parts of questions should be attempted at one place.
4. Marks are given at the end of each question.

Part – A
Partnership, Share Capital and Debentures

1. Vinod, Manthan and Dhanraj are partners and sharing profits and losses in the ratio of 3:2:1. To expand the business, they admitted 50 new partners to fulfil the requirement of capital. Is it still a partnership business? Give reason in support of your answer. [1]

2. Vinod and Sampurna share profits and losses in the ratio of 4:3. They admit Karan with 3/7th share, which he gets 2/7th from Vinod and 1/7th from Sampurna. What will the new profit sharing ratio? [1]

3. Vinod Limited invited applications for issuing 20,00,000 Equity Shares of Rs.10 each. The public applied for 17,10,000 shares. Can the company proceed for the allotment of shares? Give reason in support of your answer. [1]

4. Name the asset which we do not transfer in the debit side of Realisation Account but we record it in the credit side of Realisation Account because it brings certain amount of cash against its disposal at the time of dissolution of partnership firm. [1]

5. Pass the necessary journal entry in the books of Vinod Limited when 40,000, 11% [1] Debentures of Rs.100 each are issued as collateral security against the Loan of Rs.32,00,000 taken from HDFC Bank.

6. Vinod, Ramneek and Navrup are partners sharing profits as per the partnership deed [1] 3:2:1. The partnership deed allows interest on capital but there was a loss instead of profit at the end of the year.
At what rate interest on capital is to be calculated?

7. Vinod Limited converted its 2,000; 11% Debentures of Rs.100 each into Equity Shares of Rs.10 each. The debentures were issued at a premium of Rs.10 per debentures and the Equity Shares were issued at a premium of Rs.2.50 per share. Give journal entries. [3]

8. The partnership firm of Vinod and Purva was dissolved on 1.3.2013. According to the [3] agreement Vinod had agree to undertake the dissolution work for an agreed remuneration of Rs.4,000 and bear all realisation expenses. Dissolution expenses were Rs.3,000 and the same were paid by the firm. Pass the necessary journal entry for the payment of dissolution expenses.

9. Vinod Limited purchased a running business of Kedia Limited for a sum of Rs.36,00,000 payable by issue of equity shares of Rs.100 each at a premium of Rs.20 per share. The assets and liabilities consisted of the following:
Machinery Rs.7,00,000; Land and Building Rs.12,00,000; Stock Rs.9,00,000 and Creditors Rs.2,00,000.
Give necessary journal entries. [3]

10. On 1st April, 2012, Kamya Ltd. was formed with an authorised capital of Rs. 40,00,000 [3] divided into 4,00,000 equity shares of Rs. 10 each. The company issued prospectus inviting applications for 3,80,000 equity shares. The company received applications for 3,60,000 equity shares. During the first year, Rs. 8 per share were called. Deepti holding 3,000 shares and Divya holding 6,000 shares did not pay first call of Rs. 2 per share. Divya's shares were forfeited after the first call and later on 5,000 of the forfeited shares were re-issued at Rs. 6 per share, Rs. 8 called up.

Show the following :

(a) 'Share Capital' in the Balance Sheet of the company as per revised Schedule III of the Companies Act, 2013.

(b) Also prepare 'Notes to Accounts'.

11. On March 31st, 2016, the balances in the capital accounts of Vinod, Hardik and Anoop [4] after making adjustments for profits and drawings were Rs. 3,20,000, Rs. 2,40,000 and Rs. 1,60,000 respectively. Subsequently, it was discovered that the interest on capital and drawings had been omitted.

- The profit for the year ended on 31st March, 2016 was Rs. 90,000.
- During the year, Vinod and Hardik each withdrew a sum of Rs. 48,000 in equal Instalments in the middle of every month and Anoop withdrew Rs. 60,000.
- The interest on drawings was to be charged @ 5% p.a. and interest on capital was to be allowed @ 10% p.a.
- The profit sharing ratio of the partners was 3 : 2 : 1.

Showing your workings clearly pass the necessary rectifying entry.

12. Vinod, David and Mridul are partners in a trading firm. The firm has a fixed total capital of [4] Rs.60,000 held equally by all the partners. Under the partnership deed the partners were entitled to:

(a) Vinod and David to a salary of Rs.1,800 and Rs.1,600 per month respectively.

(b) In the event of the death of a partner, Goodwill was to be valued at 2 years purchase of the average profits of the last 3 years.

(c) Profit upto the date of the death based on the profit of the previous year.

(d) Partners were to be charged interest on drawings at 5% p.a. and allowed interest on capitals at 6% p.a.

David died on 1.1.2011. His drawings to the date of death were Rs.2,000 and the interest thereon was Rs.60. The profits for the three years ending 31.3.2008, 2009 and 2010 were Rs.21,200; Rs.3,200 (Dr.) and Rs.9,000 respectively.

Prepare David's Capital Account to calculate the amount to be paid to his executors.

13. Vinod, Divij and Siddarth were partners in a firm sharing profits in the ratio of 3 : 2 : 1. [6] On 30th June, 2014, they decided to dissolve the firm. Following was the Balance Sheet of the firm on that date.

Liabilities	Amount	Assets	Amount
Creditors	50,400	Bank	13,700
Investment Fluctuation fund	10,000	Stock	20,100
Reserve Fund	12,000	Debtors	62,600
Capitals: Vinod	30,000	Investment	16,000
Divij	20,000	Furniture	20,000
Siddarth	10,000		
	1,32,400		1,32,400

The assets were realized and the liabilities were paid off as follows :

(a) Investments were taken over by Vinod for Rs. 18,000.

(b) Stock was taken over by Divij for Rs. 17,500 and furniture was taken over by Siddarth at book value.

(c) Rs. 60,500 were realized from the debtors.

(d) Creditors were settled in full and realization expenses were Rs. 4,500.
Prepare Realisation account, Bank account and Partners' Capital accounts.

14. Vinod, Ayush and Pukhraj were partners in a firm sharing profits in the ratio of 1:2:3. [6] Their Balance Sheet as on 31.3.2015 was as follows:

Liabilities	Amount	Assets	Amount
Creditors	1,00,000	Land	1,00,000
Bills Payable	40,000	Building	1,00,000
Reserve Fund	60,000	Plant	2,00,000
Capitals: Vinod	2,00,000	Stock	80,000
Ayush	1,00,000	Debtors	60,000
Pukhraj	50,000	Bank	10,000
	5,50,000		5,50,000

All partners have decided that reconstitution of partnership is to be done with effect from 1st April, 2015. For this it was agreed that:

(a) Creditors of Rs.12,000 were not likely to be claimed and hence be written off.

(b) Goodwill of the firm be valued at Rs.3,00,000.

(c) Land be revalued at Rs.1,60,000 and building be depreciated by 6%.

Prepare Revaluation Account, Partners Capital Account and new Balance Sheet.

15. Give Journal entries in the following cases: [6]

(a) Vinod Limited converted 550; 11% Debentures of Rs.1,000 each into new 13% Debentures of Rs.100 each. The new debentures were issued at a premium of 10%.

(b) Vinod refrigerators Ltd. had an outstanding balance of Rs. 10,00,000, 11% Debentures of Rs. 100 each redeemable at a premium of 10%. According to the terms of redemption, the company redeemed 10% of these debentures by converting them into 13% preference shares of Rs. 100 each issued at a premium of 10%.

16. Vinod Ltd. had an Authorised capital of Rs. 95,50,000 divided into Equity shares of Rs. 100 [8] each. The company offered 84,000 shares to the public at premium.

The amount was payable as follows : On
Application – Rs. 30 per share

On Allotment – Rs. 40 per share (including premium) On
First & Final call – Rs. 50 per share.

Applications were received for 80,000 shares.

All sums were duly received except the following :

Madan, a holder of 200 shares did not pay allotment and call money.
Mayank, a holder of 400 shares did not pay call money.

The company, forfeited the shares of Madan and Mayank subsequently, the forfeited shares were reissued for Rs. 80 per share fully paid-up. Show the entries for the above transaction in the cash book and Journal of the company.

OR

Complete the following journal entries of issue of 10,000 shares by Vinod Limited and applications were received for the same number.

Date	Particulars	L.F	Debit (Rs.)	Credit (Rs.)
	----------------Dr. To ------------------------- (Being Share application money received @ Rs.1)		?	 ?
	--------------------------Dr. To ------------------------------ (Being Application money adjusted)		?	 ?
	-----------------------------Dr. To ------------------------------- (Being Allotment money due @ Rs.2)		?	 ?
	--------------------Dr. To ----------------------------- (Being allotment money received except on 100 shares of Ram)		?	 ?
	---------------------------------Dr. To ----------------------------- To ----------------------------- (Being100 shares forfeited)		?	 ? ?
	------------------------------------ Dr. To ------------------------------ (Being first call money due @ Rs.3)		?	 ?

	------------------------------------Dr. To --------------------------------- (Being first call money received except on 150 shares of Mohan)		?	 ?
	----------------------------Dr. To ----------------------------- To ----------------------------- (Being 150 shares forfeited)		?	 ? ?
	-------------------------------------- Dr. To ------------------------------ (Being second & final call money due)		?	 ?
	----------------------Dr. To -------------------------- (Being second call money received except on 50 shares from Sohan)		?	 ?
	-----------------------------Dr. To ------------------------------- To ------------------------------ (Being 50 shares forfeited)		?	 ? ?
	------------------------Dr. --------------------------Dr. To ------------------------------- (Being 300 forfeited shares re-issued @ Rs.9)		? ?	 ?
	---------------------------------Dr. To ----------------------------------- (Being balance of share forfeiture account Transferred to capital reserve)		?	 ?

Complete the above given entries.

17. Vinod, Mohan and Sohan are partners in a firm sharing profits and losses in the ratio of [8] 3:2:1. Their Balance Sheet as at 31st December, 2014 is as under:

Liabilities	Amount	Assets	Amount
Capitals : Vinod	40,000	Cash in hand	18,000
Mohan	40,000	Debtors 25,000	
Sohan	30,000	Less : Provision 3,000	22,000
Creditors	30,000	Stock	18,000
Bills Payable	16,000	Furniture	30,000
General Reserve	12,000	Machinery	70,000
		Goodwill	10,000
	1,68,000		1,68,000

Mohan retired on 1st January, 2015 on the following terms:

(i) Provision for doubtful debts will be raised by Rs.1,000.

(ii) Stock will be depreciated by 10% and Furniture by 5%.

(iii) There is an outstanding claim for damages of Rs.1,100 and it is to be provided for in the books.

(iv) Creditors will be written back by Rs.6,000.

(v) Goodwill of the firm is valued at Rs.22,000, which is not to be shown in the books of new firm.

(vi) Mohan is paid in full with the cash brought in by Vinod and Sohan in such a manner that their capitals are in proportion to their profit sharing ratio of 3:2.

Prepare Revaluation Account, Partners Capital Account and B/S of new firm.

OR

Vinod and Krishna are partners in a firm sharing profits in the ratio of 3:2. Their Balance Sheet as at 31st December, 2015 stood as:

Liabilities	Amount	Assets	Amount
Capitals: Vinod	70,000	Machinery	66,000
Krishna	60,000	Furniture	30,000
General Reserve	20,000	Investment	40,000
Bank Loan	18,000	Stock	46,000
Creditors	72,000	Debtors 38,000	
		Less: Provision 4,000	34,000
		Cash in hand	24,000
	2,40,000		2,40,000

On that date, they admitted Vimanyu into partnership for 1/4th share in the profits on the following terms:

(i) Vimanyu brings capital proportionate to his share. He brings Rs.14,000 in cash as his share of goodwill.

(ii) All debtors are good.

(iii) Depreciate stock by 5% and Furniture by 10%.

(iv) An outstanding bill for repairs Rs.2,000 will be brought in the books.

(v) Half of the investments were to be taken over by Vinod and Krishna in their profit sharing ratio at book value.

(vi) Bank loan is paid off.

(viii) Partners have decided to share future profits in the ratio of 3:3:2.

Prepare necessary accounts and balance sheet of new firm.

Part- B
Financial Statement Analysis

18. Vinod Limited is carrying on a Mutual Fund business. The company had invested [1] Rs.18,00,000 in the shares of Alliance Limited and Rs.20,00,000 in the Debentures of MTPC Limited. Company received Rs.60,000 as dividend and Rs.1,60,000 as interest. Find out the Cash Flow from Investing Activities.

19. Give any two transactions which result into outflow of cash. [1]

20. (a) Under which major headings and sub-headings the following items will be shown in [4] the Balance Sheet of a company as per Schedule III, of the Companies Act, 2013.
(i) Securities Premium Reserve
(ii) Cash in hand
(iii) Bank Balance
(iv) Rent Outstanding

(b) State any two advantages of Financial Statement Analysis.

21. Vinod was the Managing Director of Lalit Plastics Ltd. For the last six years the company [4] had been consistently earning good profits. Vinod followed democratic style of leadership.

He believed in giving respect to his subordinates by agreeing to their good suggestions. The company also opened a school for girls in the locality and also contributed towards the cleanliness of the locality. Following is the comparative 'Statement of Profit & Loss' of Lalit Plastics Ltd. for the years ended 31st March, 2014 :

Particulars	Note No.	2012-13 (Rs)	2013-14 (Rs)	Absolute Change (Rs)	% Change
Revenue from operations		12,00,000	16,00,000	4,00,000	33.33
Less: Employees benefit expenses		3,00,000	4,00,000	1,00,000	33.33
Profit before tax		9,00,000	12,00,000	3,00,000	33.33
Tax at 40% rate		3,60,000	4,80,000	1,20,000	33.33
Profit after tax		5,40,000	7,20,000	1,80,000	33.33

(a) Calculate Net Profit ratio for the years ending 31st March, 2013 and 2014.
(b) Identify any 2 values which are being communicated to the society.

22. Prepare Common-Size Statement of P/L form the following information of Vinod Limited [4] as on 31st March 2016:

Revenue from operations (Net sales) ……………………………………30,00,000
Interest received on investment …………………………………………… 50,000
Cost of Material Consumed …………………………………………………… 10,00,000
Other Expenses ……………………………………………………………………….. 1,50,000
Tax Payable 40%

23. Following was the Balance Sheet of Vinod Ltd. as on 31st March, 2014 : [6]

	Particular	Note No.	31.3.2014 (Rs)	31.3.2013 (Rs)
I	**Equity and Liabilities**			
1.	**Shareholder's Funds:**			
	a) Share Capital		7,00,000	6,00,000
	b) Reserve and Surplus		2,00,000	1,10,000
2.	**Non-Current Liabilities:**			
	Long-Term Borrowings (Debentures)		3,00,000	2,00,000
3.	**Current Liabilities:**			
	a) Trade Payables		30,000	25,000
	Total		12,30,000	9,35,000
II	**Assets:**			
1.	**Non-Current Assets:**			
	a) Fixed Assets:			
	i. Tangible (Machinery)		11,00,000	8,00,000
2.	**Current Assets:**			
	a) Inventories		70,000	60,000
	b) Trade Receivables		32,000	40,000
	c) Cash and Cash equivalents		28,000	35,000
	Total		12,30,000	9,35,000

Adjustments: During the year a piece of machinery of the book value of Rs.80,000 was sold Rs.65,000. Depreciation provided on tangible assets during the year amounted to Rs.2,00,000. Prepare a Cash Flow Statement.

Solution Sample Paper-01

1. No, it is not a partnership business now because total no. of partners are 53. As per the Companies Act, 2013 maximum partners can be 50 only.

2. New Profit Sharing Ratio = 2 : 2 : 3

3. This is the case of under subscription where company is receiving application less than 90%. So in this situation company cannot issue its shares.

4. Unrecorded assets are directly shown in the credit side of Realisation Account when they are realised.

5. Debenture Suspense A/c Dr. 40,00,000
   To 11% Debentures A/c 40,00,000 (Being issue of 40,000 Debentures of Rs.100 each as collateral security)

6. No interest on capital (Appropriation) is to be calculated when there is loss.

7. 1st Entry: 11% Debentures A/c Dr. and Debenture holders A/c Cr. with 2,00,000.
   2nd Entry: Debenture holders A/c Dr.2,00,000; Sh. Capital A/c Cr.1,60,000; Securities Premium Cr.40,000

8. (i) Realisation A/c Dr. 4,000
   To Vinod's Capital A/c 4,000
   (Being remuneration due to Vinod)

   (ii) Vinod's Capital A/c Dr.
   To Bank A/c
   (Being realiation expenses paid on behalf of Vinod)

9. Machinery A/c Dr. 7,00,000
   Land and Building A/c Dr. 12,00,000
   Stock A/c Dr. 9,00,000
   Goodwill A/c (Bal. fig.) 10,00,000
   To Creditors A/c 2,00,000
   To Kedia Ltd. 36,00,000

   Kedia Ltd. Dr. 36,00,000
   To Equity Sh. Capital A/c 30,00,000
   To Securities premium 6,00,000

10. Balance Sheet (Extract only)

Particulars	Note No.	Amount
I. Equity and Liabilities Shareholders Fund (a) Share Capital	1	28,72,000

Notes to Accounts	
Particulars	**Amount**
Share Capital :	
(i) Authorised Share Capital :	
4,00,000 share of Rs. 10 each	40,00,000
(ii) Issued Share Capital : 3,80,000 Shares of Rs. 10 each	
(iii) Subscribed Capital :	38,00,000
(a) Subscribed and fully paid	
3,59,000 Equity Shares of Rs.10 each 8 Called up Less : Calls in arrear	28,72,000
Add: Sh. Forfeiture A/c	-6,000
	6,000
	28,72,000

11. **Rectifying Entry**

Vinod's Capital A/c Dr. 6,250
Hardik's Capital A/c Dr. 300
To Anoop's Capital A/c 6,550
(Being adjustment entry passed)
Note: Opening Capitals: Rs.3,23,000; Rs.2,58,000 and Rs.2,05,000.

12. Amount transferred to David's Executor Rs.41,490 His share of goodwill = Rs.6,000
P/L Suspense = Rs.2,250

13. Profit on Realisation Rs.2,800; Final payments to the partners: Rs.19,400; Rs.7,433 and the amount brought by Siddarth Rs.7,533. Bank A/c total Rs.81,733

14. Revaluation Profit Rs.66,000; Capitals of the partners Rs.1,71,000; Rs.1,42,000 and Rs.1,63,000; Balance Sheet Rs.6,04,000.

15. (a) 11% Debentures A/c Dr. 5,50,000
To Debenture holders A/c 5,50,000
(Being amount due debenture holders)
Debenture holders A/c Dr. 5,50,000
To Securities premium A/c 50,000
To 13% Debentures A/c 5,00,000
(Being new debentures issued)

(a) 11% Debentures A/c Dr. 1,00,000
Premium on Redemption 10,000
To Debenture holders A/c 1,10,000
(Being amount due on redemption)

Debenture holders A/c Dr. 1,10,000
To 13% Preference Sh. Capital A/c 1,00,000 To
Securities premium 10,000
(Being preference shares issued)

16. Equity Share Application A/c Dr. 24,00,000
To Equity Share Capital A/c 24,00,000 (For application money received on 80,000 shares)

Equity Share Allotment A/c Dr. 32,00,000
To Equity Share Capital A/c 16,00,000
To Securities premium 16,00,000
(For equity share allotment made)

Equity Share first & final call A/c Dr. 40,00,000
To Equity Share Capital A/c 40,00,000
(For first call money due on 80,000 shares)

Equity Share Capital A/c Dr. 60,000
Securities premium Dr. 4,000
To Share Forfeiture A/c 26,000
To Equity share allotment A/c 8,000
To Equity Share first Call A/c 30,000
(For 600 shares forfeited)

Share Forfeiture A/c Dr. 12,000
To Equity Share Capital A/c 12,000
(For forfeited shares reissued)

Share Forfeiture A/c Dr. 14,000
To Capital Reserve A/c 14,000
(For forfeiture of reissued shares transferred)

Cash Book

Particulars	Amount	Particulars	Amount
To Share Application A/c To Share Allotment A/c To Share first & final call A/c To Share Capital A/c	24,00,000 31,92,000 39,70,000 48,000	By Balance c/d	96,10,000
	96,10,000		96,10,000

OR

Date	Particulars	L.F	Debit (Rs.)	Credit (Rs.)
	Bank A/c Dr. To Equity Share Application A/c (Being Share application money received)		10,000	10,000
	Equity Share Application A/c Dr. To Equity Share Capital A/c (Being Application money adjusted)		10,000	10,000
	Equity Share Allotment A/c Dr. To Equity Share Capital A/c (Being Allotment money due)		20,000	20,000
	Bank A/c Dr. To Equity Share Allotment A/c (Being allotment money received)		19,800	19,800
	Equity Share Capital A/c Dr. To Equity Share Allotment A/c To Share Forfeiture A/c (Being100 shares forfeited)		300	200 100
	Equity Share First Call A/c To Equity Share Capital A/c (Being first call money due)		29,700	29700
	Bank A/c To Equity Share First Call A/c (Being first call money received)		29,250	29250
	Equity Share Capital A/c To Equity Share First Call A/c To Share Forfeiture A/c (Being 150 shares forfeited)		900	450 450
	Equity Share Second Call A/c To Equity Share Capital A/c (Being second call money due)		39000	39000
	Bank A/c To Equity Share Second Call A/c (Being second call money received)		38800	38800
	Equity Share Capital A/c To Equity Share second Call A/c To Share Forfeiture A/c (Being 50 shares forfeited)		500	200 200
	Bank A/c Share Forfeiture A/c To Equity Share Capital A/c (Being 300 forfeited shares re-issued)		2700 300	3000
	Share Forfeiture A/c To Capital Reserve A/c (Being balance of share forfeiture account Transferred to capital reserve)		550	550

17. Revaluation Profit Rs.600.

Amount paid to Mohan Rs.48,200

Capital of Vinod and Sohan Rs.67,560 and 45,050. Balance Sheet Rs.1,53,700.

OR

Revaluation Account

Particulars	Amount	Particulars	Amount
To Stock A/c To Furniture A/c To Repair Bill	2,300 3,000 2,000	By Provision for doubtful debts By Loss transferred to: Vinod Krishna	4,000 1,980 1,320
	7,300		7,300

Partners' Capital Account

Particulars	Vinod	Krishna	Vimanyu	Particulars	Vinod	Krishna	Vimanyu
To Rev. A/c	1,980	1,320	--	By Bal. b/d	70,000	60,000	--
To invest.	12,000	8,000	--	By Gen. Res	12,000	8,000	--
To Bal. c/d	80,620	60,080	46,900	By Bank	--	--	46,900
				By Premium	12,600	1,400	--
	94,600	69,400	46,900		94,600	69,400	46,900

Liabilities	Amount	Assets	Amount
Capitals: Vinod	80,620	Machinery	66,000
Krishna	60,080	Furniture	27,000
Vimanyu	46,900	Investment	20,000
Creditors	72,000	Debtors	38,000
Repair Bill Outstanding	2,000	Stock	43,700
		Cash	66,900
	2,61,600		2,61,600

18. No Cash Flow from Investing Activities because Vinod Limited is a Financing Company.

19. (i) Purchase of Assets in cash (ii) Payment made to creditors.

20. (a) (i) Securities Premium Reserve --- Shareholders Funds---- Reserves & Surplus
(ii) Cash in hand ----- Current Assets------------ Cash and cash equivalents
(iii) Bank Balance----- Current Assets------------ Cash and cash equivalents
(iv) Rent Outstanding—Current Liabilities ------ Other current liabilities

(b) (i) It helps in assessing the profit earning capacity of the company.

(ii) It helps in assessing the liquidity i.e. ability of the firm to meet its current liabilities.

21. Net Profit Ratio 2013 = 5,40,000/12,00,000 x 100 = 45% Net Profit Ratio 2014 = 7,20,000/16,00,000 x 100 = 45%

Values:

(i) Taking care of Environment. (ii) Fulfilling social responsibility

22. Common-Size Statement

	Particulars	Absolute amount (Rs.)	Percentage
(I)	Revenue from operations Other incomes	30,00,000 50,000	100 1.67
		30,50,000	101.67
(II)	Expenses: Cost of Material Consumed Other Expenses	 10,00,000 1,50,000	 33.33 5
		11,50,000	38.33
	Net Profit (I) – (II) Less: Tax	19,00,000 7,60,000	63.33 25.33
	Net Profit after tax	11,40,000	38

23.

Particulars	Detail	Amount
I. Cash Flow from Operating Activities		
Net Profit before	90,000	
tax Add :	2,00,000	
Depreciation	15,000	
Add : Loss on sale of machine	3,05,000	
Operating Profit before Working Capital Changes		
Less : Increase in inventories (10,000)		
Add : Decrease in Trade Receivables 8,000	3,000	3,08,000
Add : Increase in Trade Payables		
5,00		
0 Net Cash Used in Operating Activities		
	65,000	
	(5,80,000)	
Net Cash used in Investing Activities		5,15,000
III. Cash Flow from Financing Activities		
Issue of Share	1,00,000	
Capital Long Term	1,00,000	2,00,000
Borrowings		
Net Cash Flow from Financing Activities		(7,000) 35,000 28,000

Particulars	Amount	Particulars	Amount
To Balance b/d	8,00,000	By Bank A/c (sale)	65,000
To Bank A/c (purchase bal. fig.)	5,80,000	By P/L A/c (Loss)	15,000
		By Depreciation A/c	2,00,000
		By Balance c/d	11,00,000
	13,80,000		13,80,000