

Question No. 1:

Iqbal Limited
Consolidated Statement of Cash Flows
For the year ended 30 June, 2007

Cash Flows From Operating Activities	Rs.	
Profit before tax		625
Adjustments for:		
Preference Dividend		48
Gain on Disposal		(5)
Depreciation		314
		357
Profit before changes in working capital		982
Increase / Decrease in Assets:		
Receivables (Decrease)		65
Increase in Inventory		(115)
Increase / Decrease in Liability:		
Increase in Payable		205
		155
Cash generated from operations		1,137
Tax Paid		(50)
Net cash inflows from Operating Activities		1,087
Cash Flows from Investing Activities:		
Investment		(422)
Insurance Proceed		40
Subsidiary Company Acquired		10
Property, Plant & Equipment		(314)
Net Cash Outflow from Investing Activities		(686)
Cash Flow from Financing Activities:		
Preference Dividend Paid		(48)
Dividend Paid		(100)
Dividend - NCI		(15)
Financing Lease		(170)
Net Cash Outflow from Financing Activities		(333)
Increase / Decrease in Cash & Cash Equivalents		68
Openig Cash & Cash Equivalents		(200)
Closing Cash & Cash Equivalents		(132)

Workings:

W.1:

Tangible Asset			
	Rs.		Rs.
Bal b/f	1927	Disposal	35
Revaluation Reserve	140	Depreciation	314
Lease	50		
Business Purchase	60		
Cash	314		
		Bal c/d	2142
	2491		2491

W.2:

Goodwill			
	Rs.		Rs.
Bal b/f	305		
Cost of Control A/c	38		
		Bal c/d	343
	<u>343</u>		<u>343</u>

W.3:

Cash & Cash Equivalents:

	Opening Bal.	Closing Bal.
Cash & Bank	700	808
Running Finance	(900)	(940)
	<u>(200)</u>	<u>(132)</u>

W.4:

Finance Lease			
	Rs.		Rs.
Cash	170	Bal b/d	420
		Tangible Asset	50
Bal c/d	300		
	<u>470</u>		<u>470</u>

W.5:

Trade Receivables			
	Rs.		Rs.
Bal b/f	1168	Decrease in Asset	65
Business Purchase	25		
		Bal c/d	1128
	<u>1193</u>		<u>1193</u>

W.6:

Inventory A/c			
	Rs.		Rs.
Bal b/f	1715		
Increase in Asset	115		
Business Purchase	20		
		Bal c/d	1850
	<u>1850</u>		<u>1850</u>

W.7:

Profit before Tax:	
PBT	625
Tax	(220)
Profit After Tax	<u>405</u>
NCI	(35)
Parent Co	<u>370</u>
Dividend	(180)
Retained- Group	<u>190</u>
Bal b/f	<u>2480</u>
	<u>2,670</u>

W.8:

NCI			
	Rs.		Rs.
Cash	15	Bal b/f	200
		Business Purchase	18
		P & L	35
Bal c/d	<u>238</u>		
	<u>253</u>		<u>253</u>

W.9:

Tax Payable			
	Rs.		Rs.
Cash	50	Bal b/f	450
		P & L	220
Bal c/d	<u>620</u>		
	<u>670</u>		<u>670</u>

W.10:

Trade Payable			
	Rs.		Rs.
		Bal b/f	720
		Increase in Liability	205
		Business Purchase	25
Bal c/d	<u>950</u>		
	<u>950</u>		<u>950</u>

W.11:

Dividend			
	Rs.		Rs.
Cash	100	Bal b/f	100
		Retained Earning	180
Bal c/d	180		
	<u>280</u>		<u>280</u>

W.12:

Disposal A/c			
	Rs.		Rs.
Tangible Asset	35	Cash	40
P & L	5		
	<u>40</u>		<u>40</u>

W.13:

Cost of Control A/c			
	Rs.		Rs.
Share Premium	55	Business Purchase	72
Share Capital	55	Goodwill	38
	<u>110</u>		<u>110</u>

W.14:

Business Purchase A/c			
	Rs.		Rs.
Payable	25	Tangible Asset	60
Cost of Control A/c	72	Inventories	20
NCI	18	Receivables	25
		Cash	10
	<u>115</u>		<u>115</u>

Q.3:

Alpha Limited **Consolidated Cash Flow Statement** **For the year ended 30 Sep, 2011**

Cash Flow from Operating Activities:	Rs.
Receipts from Debtors	62843
Payment to Creditors	(60,780)
Other Operating Income	1999
Operating Expense	<u>(3,131)</u>
	931
Tax Paid	<u>(825)</u>
Cash inflow from operating Activities.	<u>106</u>
 Cash flow from Investing Activities:	
Long Term Receivables	6
Property, Plant & Equipment	<u>(40)</u>
Cash outflow from Investing Activities.	<u>(34)</u>
 Cash Flow from Financing Activities:	
Short Term Borrowing (6670 - 5950)	720
Dividend Paid	(102)
Financial expense	(885)
Dividend - NCI	(185)
Long Term Loan	<u>45</u>
Cash Outflow from financing Activities	<u>(407)</u>
 Net Increase / Decrease in Cash & Cash Equivalents	(335)
Opening Bal. of Cash & Cash Equivalents	<u>2,980</u>
Closing Bal. of Cash & Cash Equivalents	<u><u>2,645</u></u>

Workings:

W.1:

Debtors A/c			
	Rs.		Rs.
Bal b/f	5,421	Creditors	56
Sales	65,000	Bad Debts	30
		Cash (Bal Figure)	62,843
		Bal c/f	<u>7,492</u>
	<u>70,421</u>		<u><u>70,421</u></u>

W.2:

Creditors A/c			
	Rs.		Rs.
Cash	60,780	Bal b/f (3970 - 10)	3,960
Debtors	56	Purchase	61,500
Bal c/d (4,688 - 56 - 8)	4,624		
	<u>65,460</u>		<u>65,460</u>

W.3:

Cost of Goods Sold:	Rs.
Opening Stock	4,280.00
Puechases (balancing)	61,500.00
Closing Stock (6760 - 8.4)	(6,751.60)
Depreciation	90.00
Cost of Goods Sold (59100 + 10 + 8.4)	<u>59,118.40</u>

W.4:

Operating Expense			
	Rs.		Rs.
Bal b/f	725	P & L	3,000
Bad Debts	44		
Cash	3,131		
		Bal c/f	900
	<u>3,900</u>		<u>3,900</u>

W.5:

Expense A/c			
	Rs.		Rs.
Cash	885	Bal b/f	30
		P & L	890
Bal c/d	35		
	<u>920</u>		<u>920</u>

W.6:

Tax			
	Rs.		Rs.
Cash	825	Bal b/f	35
		P & L	1,200
Bal c/d	410		
	<u>1,235</u>		<u>1,235</u>

W.7:

CRE			
	Rs.		Rs.
Dividend	100	Bal b/f	3,600
Bonus Share	50	P & L	2,500
Bal c/d	5,950		
	<u>6,100</u>		<u>6,100</u>

W.8:

NCI			
	Rs.		Rs.
Cash	185	Bal b/f	120
		P & L	300
Bal c/d	235		
	<u>420</u>		<u>420</u>

W.9:

Share Capital			
	Rs.		Rs.
		Bal b/f	500
		CRE	50
Bal c/d	550		
	<u>550</u>		<u>550</u>

W.10:

Long Term Loan			
	Rs.		Rs.
		Bal b/f	145
		Cash	45
		PPE	250
Bal c/d	440		
	<u>440</u>		<u>440</u>

W.11:

Property, Plant & Equipment			
	Rs.		Rs.
Bal b/f	900	Depreciation	90
Long Term Loan	250		
Cash	40		
		Bal c/f	1,100
	<u>1,190</u>		<u>1,190</u>

W.12:

Long Term Receivables			
	Rs.		Rs.
Bal b/f	29	Cash	6
P & L	1		
		Bal c/f	24
	<u>30</u>		<u>30</u>

Unrealized Profit= (140*30%)*25/125=8.4

W.13:

Other Operating Income			
	Rs.		Rs.
P & L	2,000	Long Term Receivable	1
		Cash	1,999
	<u>2,000</u>		<u>2,000</u>

W.14:

Bad Debt Expense			
	Rs.		Rs.
Debtor	30	Operating Expense	44
Provision for D/ Debts	14		
	<u>44</u>		<u>44</u>

W.15:

Provision for Doubtful Debts			
	Rs.		Rs.
Bal b/d	14	Bad Debts	14
	<u>14</u>		<u>14</u>

W.16:

Dividends			
	Rs.		Rs.
Cash	102	Bal b/f	10
		Retained Earning	100
Bal c/d	<u>8</u>		
	<u>110</u>		<u>110</u>