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1. Net Profit before tax and extraordinary items

$$\begin{aligned}
 &= \text{Net Profit for the year} + \text{Interim Dividend} + \text{Loss of assets due to fire} + \text{Provision for Tax} + \\
 &\quad \text{Proposed Dividend} - \text{Insurance claim received for Loss due to Fire} - \text{Tax refund} \\
 &= \text{Rs. } 7,50,000 + \text{Rs. } 90,000 + \text{Rs. } 20,000 + \text{Rs. } 80,000 + \text{Rs. } 1,60,000 - \text{Rs. } 10,000 - \text{Rs. } \\
 &\quad 20,000 \\
 &= \text{Rs. } 10,70,000
 \end{aligned}$$

2. Operating profit before working capital changes

$$\begin{aligned}
 &= \text{Net Profit before tax and extraordinary items} + \text{Adjustments for non-cash and non-operating} \\
 &\quad \text{expenses and goodwill amortised} - \text{Adjustments for non-cash and non-operating incomes} \\
 &= \text{Rs. } 10,70,000 + \text{Rs. } 40,000 + \text{Rs. } 70,000^{**} - \text{Rs. } 30,000 \\
 &= \text{Rs. } 11,50,000
 \end{aligned}$$

\*\* Goodwill amortised = Opening goodwill + Goodwill purchased - Closing goodwill

3. Cash flow from Investing Activities

$$\begin{aligned}
 &= \text{Interest on Non-Current Investments} + \text{Insurance claim for loss of assets due to fire} - \\
 &\quad \text{Purchase of Investments} - \text{Purchase of Machinery} - \text{Goodwill purchased} \\
 &= \text{Rs. } 30,000 + \text{Rs. } 10,000 - \text{Rs. } 1,00,000 - \text{Rs. } 1,60,000 - \text{Rs. } 20,000 \\
 &= \text{Rs. } (2,40,000) \text{ Outflow}
 \end{aligned}$$



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4. Cash flow from Financing Activities:

- = Raise of Bank overdraft – Interim Dividend Paid – Final Dividend paid
- = Rs. 50,000 – Rs. 90,000 – Rs. 1,60,000
- = Rs. (2,00,000) Outflow

5. Closing Cash and Cash Equivalents:

- = Cash in Hand + Investment in Marketable Securities
- = Rs. 2,00,000 + Rs. 1,50,000
- = Rs. 3,50,000

