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Session 2021-22  
Term-2  
Main Zone-2, Set-1

Q-12





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## CALCULATION OF CASH FLOWS FROM OPERATING ACTIVITIES

For the year ended on 31<sup>st</sup> March, 2021

Particulars	Details (Rs.)	Amount (Rs.)
Net profit before tax and extraordinary items		80,000
Add: Non-cash and Non-operating expenses:		
Depreciation		25,000
Net profit before changes in working capital		1,05,000
Add: Decrease in Current Assets and Increase in Current Liabilities:		
Inventories	11,000	
Less: Increase in Current Assets and Decrease in Current Liabilities:		
Trade Receivables	(1,500)	
Trade Payables	(34,000)	
		(24,500)
Cash generated from operations		80,500
Less: Tax paid		(6,500)
<b>Net Cash Flow from operating activities</b>		<b>74,000</b>

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**PROVISION FOR TAX ACCOUNT**

Dr.		Cr.	
Particulars	Rs.	Particulars	Rs.
To Bank A/c	6,500	By Balance b/d	5,500
To Balance c/d	9,000	By Statement of Profit & Loss	10,000
<b>Total</b>	<b>15,500</b>	<b>Total</b>	<b>15,500</b>

**Working Notes:**

Calculation of net profit before tax:

	<b>(Rs.)</b>
Net Profit	70,000
Add provision for Tax	10,000
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	<b>80,000</b>

