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Class:-B.Com Part 3
Subject:-Management



Problem 11

Calculate Funds from Operation from the following informations below as on 31st March, 2017 :

1. Net Profit for the year on 31st March, 2017 ₹ 6,50,000.
2. Profit on Sale of Building ₹ 35,500.
3. Goodwill appears in the books at ₹ 1,80,000 out of that 10% has been written off during the year.
4. Old machinery worth ₹ 8,000 has been sold for ₹ 6,500 during the year.
5. ₹ 1,25,000 have been transferred to General Reserve Fund.
6. Depreciation has been provided during the year on machinery and furniture at 20% whose total cost is ₹ 6,50,000.

Solution**Statement of Adjusted Profit and Loss**

<i>Particulars</i>	₹	₹
Net Profit		6,50,000
<i>Add : Non-operating / Non-cash Expenses :</i>		
Goodwill Written off (10% of ₹ 1,80,000)	18,000	
Loss on Sale of Machine	1,500	
General Reserve	1,25,000	
Depreciation (20% on ₹ 6,50,000)	<u>1,30,000</u>	2,74,500
		9,24,500
<i>Less : Non-operating Income :</i>		
Profit on Sale of Building		- 35,500
Funds from Operation		<u>8,89,000</u>

Problem 12

X Ltd. earned a profit of ₹ 2,50,000 during the year 2017 after adjusting