

Dr. UTTAM KUMAR
S.R.A.P College, Barachakia
Class:-B.Com Part 3
Subject:-Management



Problem 3

Prepare a Statement of Changes in Working Capital from the following Balance Sheets of a company :

<i>Particulars</i>	31.3.2016	31.3.2017
I. EQUITY & LIABILITIES	₹	₹
<i>Shareholders' Funds :</i>		
Equity Share Capital	50,000	60,000
<i>Reserve and Surplus :</i>		
General Reserve	20,000	25,000
Statement of P. & L.	10,000	12,500
<i>Non-current Liabilities :</i>		
12% Debentures	25,000	25,000
<i>Current Liabilities :</i>		
Trade Payables	45,000	52,500
Proposed Dividend	5,000	7,500
II. ASSETS	1,55,000	1,82,500
<i>Non-current Assets :</i>		
Fixed Assets	80,000	92,500
Long-term Investment	20,000	22,500
<i>Current Assets :</i>		
Inventories	25,000	35,000
Trade Receivables	28,000	30,000
Cash and Cash Equivalents	2,000	2,500
	1,55,000	1,82,500

Solution

Statement of Changes in Working Capital

<i>Particulars</i>	31st March		Working Capital Changes	
	2016	2017	Increase	Decrease
<i>Current Assets :</i>	₹	₹	₹	₹
Stock	25,000	35,000	10,000	—
Debtors	28,000	30,000	2,000	—
Cash	2,000	2,500	500	—
	55,000	67,500		
<i>Current Liabilities :</i>				
Sundry Creditors	45,000	52,000	—	7,500
	45,000	52,000		
Working Capital	10,000	15,000	—	—
Increase in Working Capital	5,000	—	—	5,000
	15,000	15,000	12,500	12,500