

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



142
Problem 28

Following are the Balance Sheets of Tinku & Co. Ltd. as on 31st March, 2016 and 2017 :

Tinku & Co. Ltd.
Balance Sheet
 (as at 31st March, ...)

Particulars	Note No.	2017		2016	
		₹	₹	₹	₹
I. EQUITY & LIABILITIES					
1. Shareholders' Funds :					
Capital			2,30,000		2,30,000
Statement of Profit & Loss			23,000		16,000
Reserve for Contingencies			60,000		60,000
2. Non-current Liabilities :					
8% Debentures			70,000		90,000
3. Current Liabilities :					
Trade Payables (Sundry Creditors)			93,000		1,00,000
Outstanding Expenses			15,000		16,000
Total (1 + 2 + 3)			<u>4,91,000</u>		<u>5,12,000</u>
II. ASSETS					
1. Non-current Assets :					
<i>Fixed Assets :</i>					
Land and Building (Tangible)			1,00,000		1,00,000
Machinery		1,20,000		1,02,000	
Depreciation Fund		(44,000)	76,000	(40,000)	62,000
2. Current Assets :					
Inventory (Stock-in-trade)			1,06,000		82,000
Trade Receivables (Sundry Debtors)			33,000		57,000
Short-term Investment			64,000		1,00,000
<i>Cash & Cash Equivalents :</i>					
Cash			1,00,000		1,00,000
Prepaid Expenses			12,000		11,000
Total (1 + 2)			<u>4,91,000</u>		<u>5,12,000</u>

Additional Informations :

1. 10% dividend was paid.

2. New machinery for ₹ 30,000 was purchased but old machinery costing ₹ 12,000 was sold for ₹ 4,000, accumulated depreciation were ₹ 6,000.

3. ₹ 20,000, 8% Debenture was redeemed by purchase from market at ₹ 96 for a debenture of ₹ 100.

4. ₹ 36,000 Investments were sold at book value.

You are required to prepare a Statement in Changes in Working Capital and a Fund-Flow Statement.

1. Machinery Account

Particulars	₹	Particulars	₹
Balance b/d	1,02,000	By Dep. on Machinery	6,000
Cash Purchases	30,000	By Cash A/c (Sales)	4,000
		By Statement of Adjusted P/L (Bal. Fig.)	2,000
		By Balance c/d	1,20,000
₹	1,32,000	₹	1,32,000

2. Depreciation Fund Account

Particulars	₹	Particulars	₹
Machinery A/c	6,000	By Balance b/d	40,000
Balance c/d	44,000	By Statement of Adjusted P/L (Bal. Fig.)	10,000
₹	50,000	₹	50,000

3. Debenture Account

Particulars	₹	Particulars	₹
Cash	19,200	By Balance b/d	90,000
Profit on Redemption of Debenture	800		
Balance c/d	70,000		
₹	90,000	₹	90,000

Statement of Adjusted Profit and Loss

Particulars	₹	₹
Statement of Profit & Loss (₹ 23,000 - 16,000)		7,000
Add : Non-operating Expenses / Non-cash Expenses :		
Depreciation	10,000	
Loss on Sale of Machines (₹ 12,000 - 6,000 - 4,000)	2,000	
Dividend $\left(\frac{2,30,000 \times 10}{100}\right)$	23,000	35,000
Less : Non-operating Income :		
Debenture (Profit on Redemption of Debenture)		800
Funds from Operations		41,200

Statement of Changes in Working Capital (for the year ended 31st March, 2017)

	Previous Year 2016	Current Year 2017	Effect on Working Capital	
			Increase	Decrease
	₹	₹	₹	₹
Current Assets :				
Cash	1,00,000	1,00,000	—	—