|  |  |  |
| --- | --- | --- |
| *Particulars*  | *Amount*  | *Amount*  |
| 1. Opearting activities
2. Cash collection debtors

Sales Increase/ decrease in debtors/ bill receivable 1. Cash paid to supplier

Cost of good sold Increase/decrease in stock/ inventory Increase/decrease current liabilities /creditors 1. Cash paid employee or other

Selling expneses /operating expense Office and administrative expnes O/s/ due/ payable expnes ( C.L) Prepaid /advance expense ( C.A)1. Cash paid interest

1. Cash paid tax

 | Xx(Xx)xx (xx)(Xx)xxXx(xx)(Xx)(xx)Xx(xx)xx(xx) | **Xx****Xx(xx)****Xx(xx)** **(Xx)****(xx)** |
| Net cash flow from operating activities A  |  | **Xx(xx)** |
| 1. Investing activities

Sales of assets ( decrease of fixed assets ) Purchase of fixed assest ( increase of fixed assets )Purchase of investment/ sales of investment  | Xx(xx)(xx)xx | **Xx(xx)** |
| Net cash flow from investing activities B  |  | **Xx(xx)** |
| 1. Fiancing activities

Issue of share capital Long term debt ( Increase/ decrease) Dividend paid Share premium ( increase/ decrease)  | XxXx(xx)(xx)Xx(xx) |  |
| Net Cash Flow from Financing activities C |  | **Xx(xx)** |
| Net Change in cash flow ( A+B+C) |  | **Xx(xx)** |
| Add: Begging cash balance ( given trail balance- last year of bank balance )  |  | **Xx** |
| Closing cash balance  |  | **xx** |

**Cash Flow Statement Using Direct Method**

Inflow Outflow

Relationship

Assets Liabilities

Negative Relation Positive relation
Assets Increase - Cash decrease Liabilities Increase- Cash +
Assets Decrease – Cash increase Liabilities decrease- Cash -

Furniture purchase Rs 400000 Loan taken Rs 2,00,000

Furniture Increase Cash +
Cash Paid ( decrease)

Excluded Heading under direct method

1. Depreciation/ appreciation

1. Reatined earning/ p/l account

1. Loss on sale of fixed assets/ profit on sale of fixed assets
2. Transfer fee related reserve.
3. Opearting activities ( related to current asset , current liabilities and revenue as well as expn ) Investing activities ( Fixed assets , investment) Financing activities ( share capital, share premium, long term debt, dividend, capital redemption) 

Cash flow statement under direct method

|  |  |  |
| --- | --- | --- |
| Particulars  | Amount  | Amount  |
| 1. Operating activities
2. Cash collection from Debtors

Sales Increase in debtors ( 240000-210000)1. Cash paid to suppliers or creditors

 Cost of Good sold  Increase in inventory/stock (180000-145000) Increase in creditors ( 80000-110000)1. Cash paid to employes and others

Operating expense Increase in expesnse due (40000-25000)1. Cash paid interest
2. Cash paid to tax
 | 1050000(30000)(810000)(35000)30000(140000)15000 | 1020000(815000)(125000) |
| Net Cash Flow from operating activities A  |  | 80000 |
| 1. Investing activities

Machinery sold Machinery purchase Increase in investment  | 125000(380000)(75000) |  |
| Net cash flow from investing activities B  |  | (330000) |
| 1. Financing activities

Issue of share capital Dividend paid long term debt Share premium  | 1,00,000(20000) |  |
| Net cash flow from financing activities C  |  | 80000 |
| Net Change in cash Flow ( A+B+C) (80000-330000+80000) |  | (170000) |
| Add: opening cash balance ( last cash balance) |  | 210000 |
| Closing Cash balance  |  | 40000 |