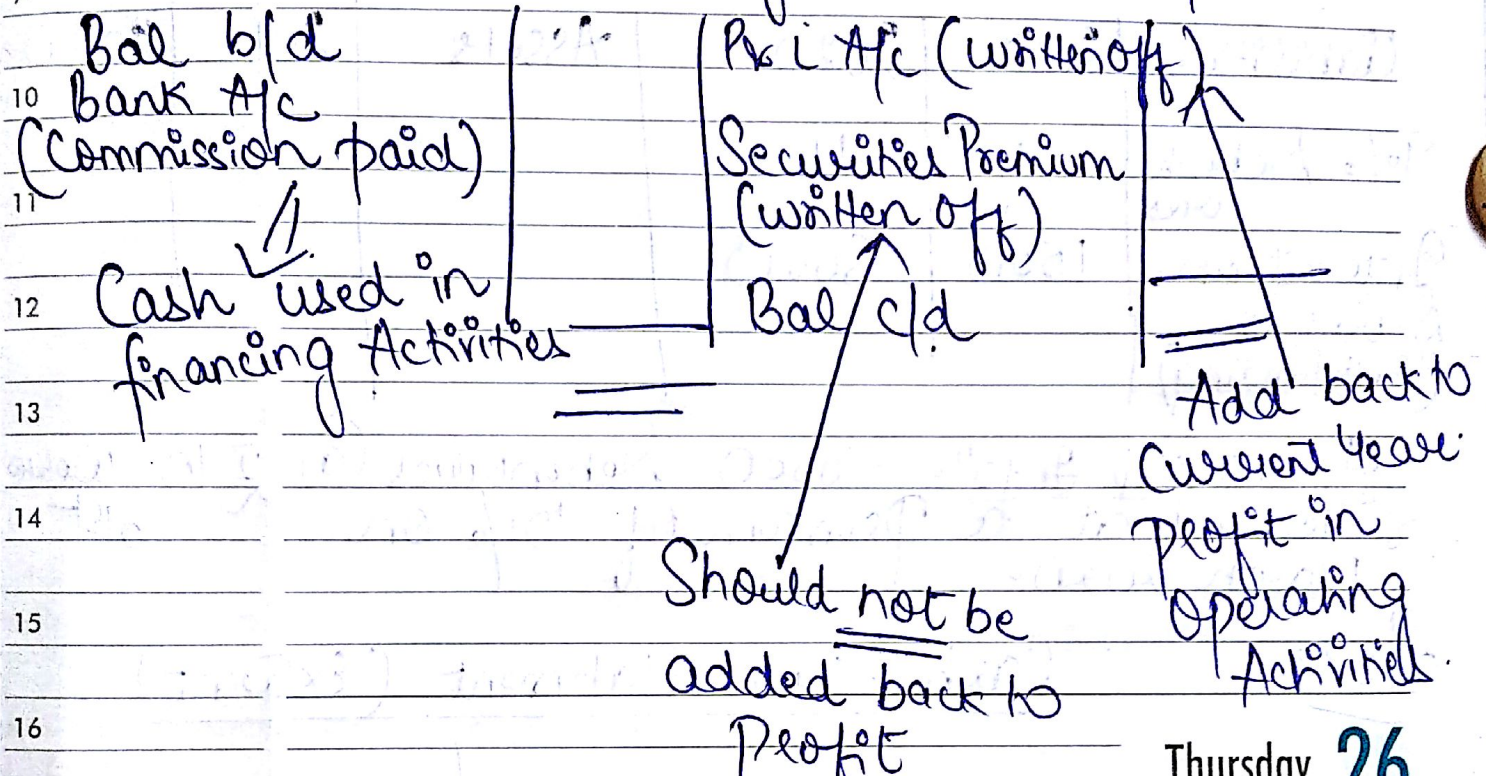


Appointments

Underwriting Commission

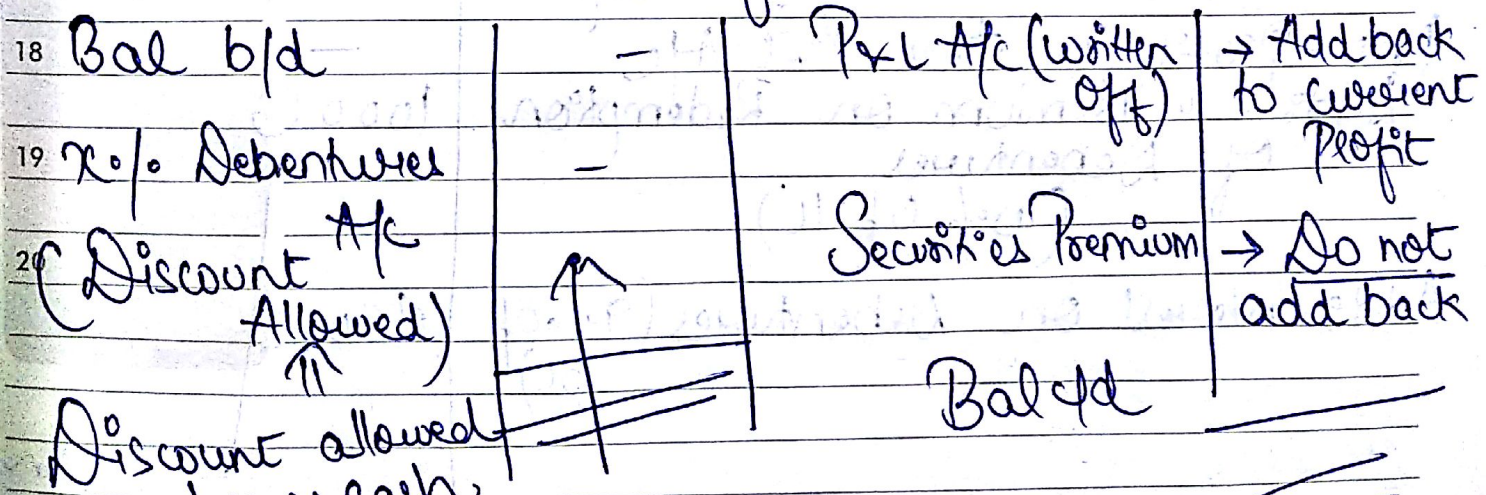
Wednesday 25

Underwriting Commission A/c



Thursday 26

Discount on Issue of Debentures A/c



27 Friday

Question:-

Balance Sheet
as at 31st March 2020
(Extract)

Appointments

8

9

10

11

12

13

14

15

16

17

18

19

20

Liabilities

2019

2020

Assets

2019

2020

9% Debentures

5L

4L

Interest on Debentures (Outstanding)

1500

6000

Additional Info:- 10000 Debentures @ ₹10 were redeemed at a premium of 10% on 31st March 2020.

Solⁿ Cash flow Statement (Extract)

28 Saturday

Cash flow from Operating Activities

Net Profit as per P&L A/c

Add:- Premium on Redemption of Debentures (10% of 1L)

10000

Add:- Interest on Debentures (9% of 5L)

45000

29 Sunday

Remember in Redemption of Preference Shares we use surplus to arrange for Premium payable on Redemption.
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(18)

Since

Interest of A/c

Bank A/c 40500 Bal b/d 1500

Bal c/d 6000 Interest A/c 45000

46500

46500

Monday 30

Appointments

Cash flow from financing Activities

8

9 Redemption of Debentures (at 10% Premium) (10000)

10 Payment of Interest on Debentures (40,500)

11

(45000 - (6000 - 1500))

1 Wednesday Treatment of Proposed Dividend and Interim Dividend/Payable in Cash flow Statement Appointments 8

Case A:- Treatment of Proposed Dividend if it is given in the B/s. 10

Dues Liabilities	B/s Extract		Assets	2019/2020
	2019	2020		
P&L A/c	1.5L	1.80L		13
Proposed Dividend	40000	50000		14

2 No Additional Info Given:- 16

Thursday
We all know that Proposed Dividend never comes inside the Balance Sheet. So, Add back Proposed Dividends to Surplus of both the years.

2019		2020	
P&L	1.5L	P&L	1.8L
Proposed + Dividend	40000	Proposed + Dividend	50000
Net profit for 2019	190,000	Net profit for 2020	230000

Appointments

Friday 3

Case B:- No Adjustment given but Dividend payable is given

B/e

	2019	2020
P&L A/c	2.5L	3.90L
Dividend payable	20000	30000

↓ This happens when it is going to pay dividend but has not paid yet. So it becomes a liability as it has become payable.

Saturday 4

Soln:- Cash flow (Extract)

Cash flow from operating Activities

Increase in P&L Bal (3.9L - 2.5L)	1.4L
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Add:- Dividend Payable	30000
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170,000	Sunday 5
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Remember in chapter of financial statements when dividend is passed to Dividend A/c. Surplus A/c - Dr. To Dividend A/c

Monday

Cash flow from financing Activities

Dividend Paid (20000)

Appointments	
	8
	9
	10
	11

Question:- No Adjustment Given

B/s (Extract)

Liab	2019	2020
P&L A/c	3.5L	4L
Dividend Payable	20000	30000
Unpaid Dividend	-	4000

7 Tuesday Solⁿ:- Cash flow Statement

A. Cash flow from Operating Activities

Increase in P&L (Cr.) Bal 50000
 Add:- Dividend Payable (4L - 3.5L) 30000

B. Financing

Dividend paid (20000 - 4000) (16000)

Dividend of last year is paid in current year
 As current year is yet to be paid

Appointments
Question: - Additional Infoⁿ is Given: - Wednesday **8**

B/s

10	Pr. A/c	1.5L	1.9L		
11	Unpaid Dividend	50000	65000		

12 Add Infoⁿ Dividend of 60000 was paid during the year ended March 31, 2020.

13 Solⁿ Here, we can prepare a small ledger.

Dividend payable A/c

15	Bank A/c	60000	Bal b/d	50000	
16	(paid during 04%)			Thursday	
17	Bal c/d	65000	Pr. A/c	75000	b/f
18			(Dividend declared for the current year)		
19		<u>1.25L</u>		<u>1.25L</u>	

20 Solⁿ -

CFE

A. Cash flow from Operating
 Increase in Pr. (04%) Balance (1.9L - 1.5L)
 Add: - Dividend payable.
Cash flow from financing
 Dividend paid.

40000
75000
<u>115000</u>
<u>60000</u>

Interim Dividend → Add back to Current Year Profit in Operating and outflow in financing.

10 Friday Treatment of Debtor/ Provision for Doubtful Debts

Case A:- When all Debtors are good as given in the Question then:-

Case B:- Nothing is given that Debtors are good or not good.
 Increase in Provision is Increase in Current Liab
 Decrease in provis decrease in C/L

Increase in Provision for Doubtful Debts and is Added Back to the Profit as it is an appropriation of profit.

Decrease in provision is deducted from profit.

11 Saturday

Liab B/L

	2019	2020	Assets	2019	2020
Provis for Doubtful Debts	3000	4000	Debtors	275000	285000

12 Sunday Solⁿ Increase in Current Assets (Debtors)
 $285000 - 275000 = 10000$

Decrease in Current Liabilities (Provis for Doubtful Debts)
 $\rightarrow 1000 (4000 - 3000)$



24

November 2017

Monday 13

Appointments
8

B/s

Liab	2019	2020	Assets	2019	2020
Prv A/c	90000	150000	Debtors	30000	45000
Provision for Doubtful Debts.	3000	4500	<u>Call good</u>		

Soln

Cash from Operating Activities	
Net Profit before Tax	60000
(1.5L - 90000)	
Add:- Increase in Provision for Doubtful Debts.	1500
(4500 - 3000)	
Operating Profit before W.C. changes	
less:- Increase in Debtors	(15000)
(45000 - 30000)	

Tuesday 14

1st 33, 31, 30, 27, 24
23, 21, 22