



INDIAN SCHOOL MUSCAT
Senior Section
Department of Commerce and Humanities

Class : XII

Worksheet-No 16

Reference:
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Ch- 16: MCQs CASH FLOW STATEMENT

Date of issue :
December 2020

ACCOUNTANCY (055)

Date of submission
-----2020

Time Allowed :30 minutes

Q1 From the following particulars , what will be the amount of provision for tax made during the year?

Provision for Taxation

31.3.2019 50,000

31.3.2020 40,000

The Company paid taxes ₹ 45,000 for the year 2019-2020.

(a) ₹ 45,000

(b) ₹ 35,000

(c) ₹ 40,000

(d) ₹ 50,000

Q2. From the following information, the outflow of cash for the purchase of machinery will be:

Written down value of machinery as on 1.4.2019 - ₹ 5,00,000

Written down value of machinery as on 31.3.2020 - ₹ 7,00,000

Depreciation on machinery charged during the year ₹ 60,000

Machinery having book value ₹ 25,000 sold for ₹ 20,000

(a) ₹ 2,70,000

(b) ₹ 2,80,000

(c) ₹ 2,75,000

(d) ₹ 2,85,000

Q3. Which of the following transactions would result inflow of cash:

(a) Cash withdrawn from Bank for office use.

(b) Purchase of machinery worth ₹ 2,00,000 and issued shares in consideration thereof.

(c) Sale of furniture for ₹ 3,000 to Mr. Mohan.

(d) Cash received from Debtors. ₹ 6,000

Q4 . From the following information find the cash generated from operations:

Operating Profit before working capital changes 1,00,000

Depreciation on fixed assets 15,000

Loss on sale of Furniture 5,000

Interest paid 13,000

Dividend received

Increase in debtors. 8,000

Decrease in stock 7,000

Increase in creditors. 4,000

(a) ₹ 1,18,000

(b) ₹ 1,24,000

(c) ₹ 1,03,000

(d) ₹ 1,00,000

Q5 Which of the following transactions would not create a cash flow ?

(a) A company purchased some of its own stock from a stockholder

(b) Amortization of a patent

(c) Payment of a Cash Dividend

(d) Sale of equipment at book value

Q6. Bank Overdraft and cash credit are to be treated as:

- (a) Cash Equivalents
- (b) Non Current Liabilities
- (c) Investing Activity
- (d) Short Term Borrowings

Q7. From the following information find out the inflow of cash

Office Equipment ₹

31st March, 2014 60,000

31st March, 2013 1,00,000

₹ Additional Information:

Depreciation for the year 2013-14 is ₹ 7,000, Purchase of office Equipment during the year ₹ 10,000 Part of Office Equipment sold at a profit of ₹ 6,000

- (a) ₹ 48,000
- (b) ₹ 49,000
- (c) ₹ 44,000
- (d) ₹ 33,000

Q8 From the following information find out the cash flow from financing activities.

Liabilities

Proposed Dividend

31st March 2019 20,000

31st March 2020 15,000

Additional Information: Equity Share Capital raised 3,00,000 10% Debentures Redeemed 1,00,000 Preference Share capital Redeemed ₹ 50,000. Interim Dividend paid during the year ₹20,000

- (a) ₹ 1,25,000
- (b) ₹ 1,00,000
- (c) ₹ 1,50,000
- (d) ₹ 1,30,000

Q9 Declaration of Final Dividend would result in ____

- (a) Outflow in financing activities.
- (b) Outflow in Operating activities.
- (c) Inflow in operating activities.
- (d) No Flow of cash.

Q10. If net profit is taken as the basis to ascertain cash flow from operations, which one of the following adjustments is correct and proper?

- a) add decrease in current assets and current liabilities
- b) add increase in current liabilities and current assets
- c) add increase in current assets and deduct decrease in current liabilities.
- d) add decrease in current assets and add increase in current liabilities.

Q11 From the following information find out the inflow of cash

	31st March, 2020	31st March, 2019
Plant and Machinery Account	₹ 6,00,000	₹ 4,50,000
Accumulated Depreciation	₹ 1,60,000	₹ 1,00,000

Additional Information: Depreciation for the year 2019-20 is ₹ 80,000. During the year Machinery was Purchased for ₹ 2,50,000 and a part of asset was sold at a profit of ₹ 40,000.

- (a) ₹ 1,20,000;
- (b) ₹ 1,00,000;
- (c) ₹ 80,000;
- (d) ₹ 40000

Q12 Which of the following transactions would result in neither cash inflow nor outflow of cash and cash equivalents.

- a. Issue of share capital
- b. Issue of bonus shares
- c. Redemption of debentures
- d. Trade receivable realized.

Q13 Gain on sale of tangible current asset is an

- a. Operating activity
- b. Investing activity

- c. Financing activity
- d. Cash and Cash Equivalents

Q14 Interest collected by an automobile company selling a car on instalment basis will be classified as

- a. Investing activity
- b. Operating activity
- c. Financing activity
- d. Cash and cash equivalents

Q15 A decrease in outstanding expense would result in

- a. Decrease in cash balance
- b. Increase in cash balance
- c. Unaltered
- d. Would change the current liabilities.

Q16 Pick the odd one out

- a. Long term borrowings
- b. Reserves and surplus
- c. Share capital
- d. Public deposits.

Q17 Dividend received by Atal Pharma Limited will be a i.).....for the organization .and will be classifies as ii.).....activity.

- a. Inflow, investing
- b. Inflow, financing
- c. Outflow ,financing
- d. Inflow, Operating

Q18 Expenses paid in advance at the end of the year are i.....inii activities while preparing cash flow statement

- a. Added, Operating
- b. Subtracted, Operating

- c. Added, Investing
- d. Subtracted, Investing

Q19 Gain on sale of tangible non-current asset is an

- a. Operating activity
- b. Investing activity
- c. Financing activity
- d. Cash and Cash Equivalents

Q20 Which of the following shall be considered as an outflow of cash in cash flow statement.

- a. Decrease in Public Deposits
- b. Issue of share capital
- c. Increase in accounts payable
- d. Decrease in accounts receivables.

II. Fill in the Blanks

21. The basis of Cash Flow Statement is _____

22. Debentures issued for consideration other than cash are not shown in the Cash Flow Statement because _____ is not received against the issue.

23. Loss on issue of debentures written off is shown by way of deduction from _____ of the debentures.

24. Patents purchased and completely amortized in the year of purchase is added under _____ and shown as an outflow under _____

25. Purchase of securities by a non- finance company is _____

III. State True of False

26. Gratuity paid to a retiring employee is an operating activity.

27. Issue of bonus shares is shown as a financing activity.

28. Shares issued to promoters in consideration of their services are shown as a financing activity.

29. Operating activities are principal revenue producing activities of an enterprise and those activities that are not investing or financing activities.

30. Buy Back of shares is an extraordinary item for financing activity.

PLEASE PRACTICE AND THAN CHECK ANSWER

ANSWER :-

Q No	Answer	Q No	Answer	Q No	Answer
1	B	11	A	21	Cash Basis
2	D	12	B	22	Cash
3	D	13	A	23	Face Value
4	C	14	B	24	Operating Investing
5	B	15	D	25	Investing
6	D	16	B	26	True
7	B	17		27	False
8	B	18	A	28	False
9	D	19	A	29	True
10	D	20	A	30	True

Marks Scored :-----/ 30