

**VIVEKANANDA COLLEGE
THAKURPUKUR
KOLKATA-700063**

NAAC ACCREDITED 'A' GRADE



Topic: Fund Flow Statement

Course Title: B.Com (UNDER CBCS SYSTEM)

Paper: Fin.Reporting & FSA

Unit: 03

Semester: 6th Semester

Name of the Teacher: Jayanta Majumder

Name of the Department: COMMERCE

EXERCISE

THEORETICAL QUESTIONS

Objective Type Questions

State whether the following statements are "True" or "False".

1. Purchase of Stock-in-Trade is an application of fund.
2. Fund is the difference between Fixed Assets and Current Assets.
3. Fund Flow Statement shows the position of the business as on the closing date of accounting period.
4. Cash or Credit sales increase the working capital.
5. Amortisation of preliminary expenses is an use of fund.
6. Payment of dividends is a use of fund.
7. Commission outstanding is an use of fund.
8. Any gain in the sale of fixed should be shown as sources of fund.
9. Goods purchased on credit does not result in flow of funds.
10. Issue of share capital will increase fund.

Ans. (1) False; (2) False; (3) False; (4) True; (5) False; (6) True; (7) True; (8) False; (9) True; (10) True.

Eassy Type Questions

1. What is a Fund Flow Statement? Examine its uses and significance for management.
2. What are the objectives of Fund Flow Statement? Discuss its limitations.

[C U B Com (H) 1983]

3. Explain the meaning and concept of fund.

[C U B Com (H) 2001, 2006]

4. Can depreciation be a source of fund? Explain it with arguments.

[C U B Com (H) 1990, 2007, 2009, 2012]

5. Show the distinction between Fund Flow Statement and Income Statement.

[C U B Com (H)]

6. Compare Fund Flow Statement with a Balance Sheet.

[C U B Com (H) 2012]

7. Discuss in detail the procedure of making a Fund Flow Statement.

8. How will you compute fund from operation? Explain with illustration.

9. "A Funds Flow Statement is a better substitute for an income statement"— Discuss.

PRACTICAL PROBLEMS

Problem 1

The net profit after making a provision of ₹ 3,30,000 for Income Tax of Tara Ltd. for the year ended 31st March, 2019 amounts to ₹ 3,00,000. This figure of net profit has been arrived at after taking into account the following items :

Particulars	Amount ₹
Depreciation on Fixed Assets	65,000
Preliminary Expenses Written Off	7,000
Bad Debts	1,000
Loss on Sale of Furniture	1,500
Profit on Sale of Long Term Investments	5,000

Calculate funds from operations.

[B Com (Hons.) Delhi 1992]

Ans. ₹ 6,98,500.

Hints. Bad Debts will not be considered.

■ Problem 2

Calculate the fund from operation from the following Profit and Loss Account.

Profit and Loss Account A/c

Particulars	Amount ₹	Particulars	Amount ₹
To Salaries	10,000	By Gross Profit	60,000
” Rent	4,000	” Profit on Sale of Machinery	5,000
” Depreciation on Machinery	5,000		
” Printing & Stationery	4,000		
” Telephone	3,000		
” Preliminary Expenses Written Off	2,000		
” Goodwill Written Off	3,000		
” Provision for Taxation	4,000		
” Proposed Dividends	6,000		
” Net Profit taken to Balance Sheet	24,000		
	65,000		65,000

Ans. ₹ 39,000.

■ Problem 3

From the following particulars calculate Fund from Operation :

	₹
P & L A/c : as on 01.04.18	1,60,000
as on 31.03.19	2,00,000
Transaction during the year :	
Transfer to Revenue Reserve	40,000
Depreciation on Fixed Assets	16,000
Underwriting commission written off	8,000
Interest Received	4,000
Interim Dividend paid	16,000
Sale of Old Machinery (Book Value Rs. 48,000)	56,000

[C U B Com (H) 2008]

Ans. ₹ 1,08,000.

■ **Problem 4**

The Balance Sheets of Flow Ltd. as on 31st December, 2015 and 2016 are as under :

Particulars	Notes No.	31.03.15 ₹	31.03.16 ₹
I. EQUITY AND LIABILITIES			
1. Shareholders Fund			
(a) Share Capital			
(i) Equity Share Capital of ₹ 10 each fully paid		3,00,000	5,00,000
(ii) 9% Redeemable Pref. Shares of ₹ 10 each fully paid		2,00,000	3,00,000
(b) Reserve and Surplus			
(i) General Reserve		1,20,000	1,80,000
(ii) Securities Premium		40,000	90,000
(iii) Revaluation Reserve (on Land)		—	80,000
(iv) Profit and Loss Balance		2,30,000	3,90,000
2. Non-Current Liabilities			
(a) Long-term Borrowing — 8% Debenture		2,00,000	—
3. Current Liabilities			
(a) Trade Payables		90,000	70,000
(b) Short-term Provision — Provision for Tax		60,000	90,000
TOTAL		12,40,000	17,00,000
II. ASSETS			
1. Non-Current Assets			
(a) Property, Plant and Equipment			
(i) Land		5,00,000	5,80,000
(ii) Other Fixed Assets		3,50,000	4,80,000
(b) Non-Current Investment		70,000	1,10,000
2. Current Assets			
(a) Inventory		90,000	70,000
(b) Trade Receivables		1,40,000	3,30,000
(c) Cash and Cash Equivalent		90,000	1,30,000
TOTAL		12,40,000	17,00,000

Following further particulars for the year 2015-16 are also given :

- (a) Interim Dividend on equity shares ₹ 50,000 and Preference Dividend ₹ 18,000 were paid during the year. Dividend distribution tax paid during the year ₹ 10,000.
- (b) Debentures were redeemed at 10% Premium, Premium on Redemption Charged to Profit & Loss for the year. Debenture Interest ₹ 12,000 were also paid during the year.
- (c) The company sold one fixed asset for ₹ 24,000 (W.D.V. ₹ 35,000). Fixed Assets of ₹ 2,00,000 were acquired by issue of 8,000 equity shares at 25% premium and balance by issue of preference shares at per. Other equity shares were issued for cash during the year at a premium.
- (d) Interest on Investment received ₹ 8,000. Investment having book value ₹ 20,000 were taken over by a creditor against ₹ 20,000. due to him.
- (c) Income Tax paid during the year ₹ 68,000.

You are required to prepare the Fund Flow Statement of Flow Ltd. for the year ended 31.03.2016.

[C U B Com (H) 2017]

Ans. Increase in Working Capital ₹ 2,30,000; Fund from Operation ₹ 4,66,000; Total of FFS ₹ 6,68,000 without considering issue of share against acquisition of fixed assets.

Problem 5

The Balance Sheets of XY Ltd. as on 31st March, 2014 and 2015 are as under :

Particulars	Notes No.	31.03.14 ₹	31.03.15 ₹
I. EQUITY AND LIABILITIES			
1. Shareholders Fund			
(a) Share Capital			
(i) Equity Share Capital		3,00,000	5,00,000
(ii) 10% Redeemable Preference Share		3,00,000	2,00,000
(b) Reserve and Surplus			
(i) General Reserve		40,000	60,000
(ii) Capital Reserve		—	50,000
(iii) Profit and Loss Balance		90,000	1,20,000
2. Non-Current Liabilities			
3. Current Liabilities			
(a) Trade Payables		88,000	1,30,000
(b) Provision for Taxation		56,000	64,000
(c) Proposed Dividend		54,000	55,000
TOTAL		8,74,000	11,24,000
II. ASSETS			
1. Non-Current Assets			
(a) Property, Plant and Equipment			
(i) Land and Building		2,00,000	1,50,000
(ii) Plant and Machinery		1,80,000	3,82,000
(b) Intangible Assets			
(i) Goodwill		1,20,000	94,000
(c) Non-Current Investment			
		20,000	70,000
2. Current Assets			
(a) Inventory		1,70,000	1,56,000
(b) Trade Receivables		1,50,000	2,16,000
(c) Cash and Cash Equivalent		34,000	56,000
TOTAL		8,74,000	11,24,000

The following particulars are given :

- In 2015, ₹ 36,000 depreciation has been written off on Plant and Machinery and no depreciation has been charged on Land and Building.
- A piece of land has been sold out and profit on such sale has been transferred to Capital Reserve.
- A plant was sold for ₹ 24,000 (W.D.V. ₹ 30,000).
- Dividend received amounted to ₹ 4,200 which included pre-acquisition dividend of ₹ 1,200.
- An interim dividend of ₹ 20,000 has been paid in 2015.

You are required to prepare :

- Statement of Sources and Application of Funds, and
- Statement of Changes in Working Capital for the year 2015. [C U B Com (H) 2016]

Ans. Increase in Working Capital ₹ 32,000; Fund from Operation ₹ 2,83,000; Total of FFS ₹ 6,11,200.

60. The following are the condensed balance sheets of B. Ltd. as on 31st March of 2019 and 2020 :

<i>Equity and liabilities</i>	<i>Note No.</i>	<i>31.3.19</i>	<i>31.3.20</i>
		₹	₹
<i>Shareholders' funds :</i>			
Share capital		2,50,000	3,50,000
Reserves and surplus		1,87,500	1,92,500
<i>Non-current liabilities :</i>			
Long-term borrowings (6% debentures)		50,000	20,000
<i>Current liabilities :</i>			
Trade payables		79,000	83,000
Other current liabilities (outstanding expenses)		7,000	15,000
Short-term provision (provision for taxation)		30,000	25,000
		<u>6,03,500</u>	<u>6,85,500</u>
<i>Assets</i>			
<i>Non-current assets :</i>			
Fixed assets	1	2,85,000	3,85,000
<i>Current assets :</i>			
Inventories		1,90,000	1,93,000
Trade receivables	2	73,000	87,000
Cash in hand and at bank		30,500	5,500
Other current assets	3	25,000	15,000
		<u>6,03,500</u>	<u>6,85,500</u>

Notes to accounts :

	<i>31.3.19</i>	<i>31.3.20</i>
	₹	₹
<i>(1) Fixed assets :</i>		
Land and building at costs	1,25,000	1,25,000
Plant and machinery at cost	2,40,000	3,60,000
Provision for depreciation thereon	(80,000)	(1,00,000)
	<u>2,85,000</u>	<u>3,85,000</u>
<i>(2) Trade receivables :</i>		
Debtors for goods	86,000	1,05,000
Less : Provision for bad debts	13,000	18,000
	<u>73,000</u>	<u>87,000</u>
<i>(3) Other current assets (unamortised expenses) :</i>		
Debenture issue expenses	10,000	3,000
Preliminary expenses	15,000	12,000
	<u>25,000</u>	<u>15,000</u>
<i>(4) Contingent liability :</i>		
Proposed dividend	37,500	52,500

Additional information :

- (a) Income tax paid in 2019-20 was ₹ 35,000.
 (b) An old machine was sold for ₹ 44,000, the cost and written down value of which were ₹ 60,000 and ₹ 40,000 respectively.
 (c) Bonus shares at 2 for every 5 equity shares were issued out of accumulated reserves and surplus.
 (d) Out of the proposed dividend for 2018-19 only ₹ 30,000 were paid in 2019-20 and in addition to that an interim dividend of ₹ 25,000 was paid in the same year.

Prepare funds flow statement and statement of changes in working capital of the company for the year ending 31st March, 2020.

[C.U., B.Com. (Hons.)]

Fund Flow ~~Statement~~ Analysis

①

Cal. of funds from Operation

Net Profit after Prov. for tax	3,00,000	
ADD:- Prov. for tax	3,30,000	
Net Profit for the year/Period.		6,30,000
ADD:- Non-fund/Non Operating Exp. appearing in the Statement of Profit & Loss —		
— Depn on F.A	65,000	
— Pre. Exp.	7,000	
— Loss on Sale of furniture	1,500	
		73,500
Less:- Non-fund/Non operating Income appearing in the Statement of Profit & Loss		7,03,500
— Profit on Sale of Long term Investment.		5,000
Funds from operation.		6,98,500

②

Cal. of funds from Operation

Net Profit for the year/Period		24,000
ADD:- Non-fund/Non operating Expenses appearing in the Statement of Profit & Loss: —		
— Depn on Machinery	5,000	
— Pre. Exp written off	2,000	
— S/W written off	3,000	
— Prov. for tax	4,000	
— Prop div	6,000	
		20,000
Less:- Non-fund/Non-operating Income appearing in the Statement of P/L		44,000
— Profit on Sale of Machinery	5,000	5,000
Funds from operation.		39,000

3

Cal. of Net Profit during the year
 Profit & Loss appropriation a/c
 for the year ended - 31-3-19

To Revenue Reserve	40,000	By Bal b/d	1,60,000
To General Reserve	16,000		
To Interim Div.	—	By Net Profit (Bal. Fig)	96,000
“ Provision tax.	—		
To Bal. c/d	2,00,000		
	<u>2,56,000</u>		<u>2,56,000</u>

Cal. of Funds from operation.

Net Profit for the year ended - 31-3-19		96,000
ADD:- Non-fund/ Non operating Expenses appearing in Statement of P/L: —		
— Depn on F. Asset	16,000	
— underwriting Com. written off.	8,000	24,000
		<u>1,20,000</u>
Less:- Non-fund/ Non operating Incomes appearing in Statement of P/L		
— Interest received.	4,000	
— Profit on Sale of Machinery (56,000 - 48,000)	8,000	12,000
		<u>1,08,000</u>
Funds from operation		<u>1,08,000</u>

Alternatively

Adjusted Profit & Loss
 for the year ended - 31-3-19

To Transfer to G. R. Res	40,000	By Bal b/d	1,60,000
To Depn on F. Asset	16,000	By Int received	4,000
“ underwriting Comm.	8,000	By Profit on Sale of Machinery (56,000 - 48,000)	8,000
“ Interim Div.	16,000	By Funds from operation (Bal. Fig)	1,08,000
To Bal. c/d	2,00,000		
	<u>2,80,000</u>		<u>2,80,000</u>

4

Flow LW.
Fund Flow Statement
for the year ended- 31-3-16

Sources		Applications	
Sale of F. Asset	24,000	Int. Div. on Equity Shn Paid	50,000
Int. on Investment earned	8,000	Prct. Div Paid	18,000
Issue of Sh including Premium (1,20,000 + 30,000)	1,50,000	Div. Distribution Tax Paid	10,000
Fund from operation	4,66,000	Deb. Int Paid	12,000
Payment to creditor by Investment	20,000	Red of Deb.	2,20,000
		Pur. of Investment	60,000
		Payment of tax	68,000
		Interest on Deb.	20,000
		Increase in W. Capital	2,30,000
	<u>6,68,000</u>		<u>6,68,000</u>

Statement Showing Changes in W. Capital

Particulars.	31-3-15		31-3-16	
	Amount	Amount	Amount	Amount
<u>C.A</u>				
- Inventory	90,000		70,000	
- Trade Receivables	1,40,000		3,30,000	
- Cash & Cash Equivalent	90,000		1,30,000	
		3,20,000		5,30,000
<u>C.L</u>				
Trade Payable.	90,000	90,000	70,000	70,000
		2,30,000		4,60,000
Increase in W. Capital.		2,30,000		4,60,000
		<u>4,60,000</u>		<u>4,60,000</u>

Equ. Shn. total

By Bal. Ed	3,00,000
" F.A (8000 x 10)	80,000
" Bank - Issue	1,20,000
<u>To Bal. Ed</u>	<u>5,00,000</u>

9% Red. Prct. Shn. total.

By Bal. Ed.	2,00,000
By F.A	1,00,000
<u>To Bal. Ed</u>	<u>3,00,000</u>

General Reserve

	By Bal	1,20,000	
	u P/L	60,000	
	- transfer		
To Bal.	<u>1,80,000</u>		<u>1,80,000</u>

Rev. Reserve

	By Bal.	-	
	By P/L	80,000	
	- transfer		
To Bal.	<u>80,000</u>		<u>80,000</u>

8% Deb.

To Deb. holder	2,00,000	By Bal b/d	2,00,000
To Bal	<u>2,00,000</u>		<u>2,00,000</u>

Land

To Bal	5,00,000		
u Bank	80,000		
To Rev. Reserve	80,000		
	<u>5,80,000</u>	By Bal	5,80,000
			<u>5,80,000</u>

F. A

To Bal.	3,50,000	By Bank - Int	24,000
u Eq. Res.	80,000	u P/L loss	11,000
u Sec. Premium	20,000	u Deph.	35,000
u Prect. Res	1,00,000	(Bal. Fig)	
(2,00,000 - 1,00,000)		By Bal.	4,80,000
	<u>5,50,000</u>		<u>5,50,000</u>

Investment

To Bal	70,000	By credit	20,000
To Bank	60,000		
- Pvr.		By Bal.	1,10,000
	<u>1,30,000</u>		<u>1,30,000</u>

Securities Premium

	By Bal	40,000	
	u F.A	20,000	
	(80,000 x 25%)		
	u Bank	30,000	
To Bal.	<u>90,000</u>		<u>90,000</u>

Adj. P/L

To Premium on	20,000	By Bal.	2,30,000
u Deb. Int	12,000	By Int on	8,000
u Div. Distrib	10,000	Share	
u Loss on Sale	11,000		
u Pvr. Int tax	98,000		
u G.R	60,000	By Fund from	4,66,000
u Prect. Res	80,000	operation	
u Eq. Div	50,000		
u Prect. Div	18,000		
u Deph	35,000		
To Bal.	<u>3,90,000</u>		
	<u>7,04,000</u>		

Pvr. Int tax

To Bank	68,000	By Bal	60,000
- Payment of tax		By P/L	98,000
		- Pvr.	
To Bal.	<u>98,000</u>		<u>1,58,000</u>
	<u>1,58,000</u>		<u>1,58,000</u>

equity div

To Bank	50,000	u P/L	50,000
- Int. Div Paid			
	<u>50,000</u>		<u>50,000</u>

Prect. Div.

To Bank	18,000	By P/L	18,000
	<u>18,000</u>		<u>18,000</u>

Div. Distributable Exps		Deb. holder	
To Bank 10,000	By P/L 10,000	To Bank 2,200	By 8% Deb. 2,000
		- Red. of Deb.	11 Premium on Red. (2,000 x 10%) 200
<u>10,000</u>	<u>10,000</u>	<u>2,200</u>	<u>2,200</u>
Deb. Amt		Premium on Red	
To Bank 12,000	By P/L 12,000	To Deb. holder 20,000	By P/L 20,000
<u>12,000</u>	<u>12,000</u>	<u>20,000</u>	<u>20,000</u>
Int on Investment			
To P/L 8,000	By Bank 8,000		
<u>8,000</u>	<u>8,000</u>		
Depn.			
To F.A 35,000	By P/L 35,000		
<u>35,000</u>	<u>35,000</u>		

5

XY LW.
Statement of Sources and Application of funds
for the year ended - 31-3-15

Sources		Application	
Sale of Land & Bldg	1,00,000	Pur. of plant	2,68,000
Sale of Plant	24,000	Interim Div Paid	20,000
Div. fund	4,200	Redemption of Prt. Sh.	1,00,000
Issue of Egn. Sh.	2,00,000	Payment of tax	56,000
Fund from operations	1,99,000	Purchase of Inventory	51,200
		Increase in W. Curr	32,000
	<u>5,27,200</u>		<u>5,27,200</u>

Statement of changes in W. Capital

Particulars	31-3-14		31-3-15	
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
<u>C.A</u> Inventory	1,70,000		1,56,000	
Trade Receivables	1,50,000		2,16,000	
Cash & Cash Equivalents	34,000	3,54,000	56,000	4,28,000
<u>C.L</u> Trade Payable.	88,000	88,000	1,30,000	1,30,000
		2,66,000		2,98,000
		32,000		
Increase in W. Capital.		<u>2,98,000</u>		<u>2,98,000</u>

Egn. Sh. Capital

By Bal	3,00,000
By Bank - Issue	2,00,000
To Bal.	<u>5,00,000</u>
	<u>5,00,000</u>

10% Red Prt. Sh

To Prt. Sh holder 1,00,000	By Bal	3,00,000
To Bal.	2,00,000	
	<u>3,00,000</u>	<u>3,00,000</u>

General Reserve

	By Bal	40,000	
	By P/L	20,000	
	- transfer		
To Bal		<u>60,000</u>	

Capital Reserve

	By Bal	-	
	By Profit on sale of Land	50,000	
To Bal.		<u>50,000</u>	

P/L a/c

To Depn	36,000	By Bal.	90,000
" loss on sale of plant	61,000	By Div	3,000
" Interim Div	20,000		
" Gen. Reser	20,000		
" Prov for tax	64,000	By Fund	1,99,000
" 81W written off	26,000	from Operat	1,99,000
To Bal.	<u>1,120,000</u>		<u>2,92,000</u>

Prov for tax

To Bank - Payment	56,000	By Bal	56,000
		By P/L - Prov.	64,000
To Bal.	<u>64,000</u>		<u>1,120,000</u>

Land & Building

To Bal.	2,00,000	By Bank - Sale	1,00,000
" Profit on sale of Land	50,000		
To Bal.	<u>2,50,000</u>	By Bal.	<u>1,80,000</u>

P/M.

To Bal	1,80,000	By Depn	36,000
" Bank purchase	2,68,000	" Bank - Sale	24,000
		" loss on sale of plant	61,000
		By Bal	3,82,000
	<u>4,48,000</u>		<u>4,48,000</u>

81W

To Bal b/d	1,120,000	By P/L - written off	26,000
		By Bal	94,000
	<u>1,120,000</u>		<u>1,120,000</u>

Investment

To Bal	20,000	By Div.	1,120,000
To Bank - Pur.	51,200		
	<u>71,200</u>	By Bal.	70,000
			<u>71,200</u>

Div. received

To P/L - rev. Profit	3,000	By Bank	4,200
" Investment - Current Profit	1,200		
	<u>4,200</u>		<u>4,200</u>

Prefer. sh. holder

To Bank - Recd. Div	1,00,000	By Profit & Cur	1,00,000
	<u>1,00,000</u>		<u>1,00,000</u>

Interim Div

To Bank	20,000	By P/L	20,000
	<u>20,000</u>		<u>20,000</u>

6

X Y LW.
BLW,
Fund Flow Statement
for the yr. end - 31-3-20

Sources		Applications	
Sale of P/M	44,000	Redemption of Debt	30,000
Fund from operation	2,136,000	Payment of Exp	35,000
Decrease in W. Capital	20,000	Pur. of P/M	1,80,000
		Payment of Div.	30,000
		Payment of Interim Div	25,000
	<u>3,100,000</u>		<u>3,100,000</u>

Statement showing change in W. Capital.

	31-3-19	31-3-20
<u>C.A</u>		
Inventories.	1,90,000	1,93,000
Trade Receivables	86,000	1,05,000
Cash & Bank.	30,500	5,500
	3,06,500	3,03,500
<u>C.L</u>		
Trade Payables.	79,000	83,000
OLS Exp.	7,000	15,000
Pm. in B. Debt	13,000	18,000
	99,000	1,16,000
	2,07,500	1,87,500
Decrease in W. Capital		20,000
	<u>2,07,500</u>	<u>2,07,500</u>

Egn. Sh. Capital.		R/S	
To Bal.	3,50,000	To Bonus Egn.	
	<u>3,50,000</u>	To Shareholder	1,00,000
		To Pm in Exp	30,000
		u Div	40,000
		u Debt Issue Exp	7,000
		u Pre-Exp	3,000
		u Div	30,000
		u Interim Div	25,000
		To Bal.	1,92,500
			<u>4,27,500</u>
			<u>4,27,500</u>

6% Deb	
To Deb. holder 30,000	By Bal. 50,000
To Bal. <u>20,000</u> <u>50,000</u>	<u>50,000</u>

Deb. holder	
To Bank 30,000	By 6% Deb. 30,000
<u>30,000</u>	<u>30,000</u>

Prn for dep	
To PIM disposal (60-40) 20,000	By Bal 80,000
	" Dep 40,000
To Bal. <u>1,000,000</u> <u>1,120,000</u>	<u>1,120,000</u>

Deb. issue exp	
To Bal. 10,000	By R/S - written off 7,000
	By Bal. 3,000
<u>10,000</u>	<u>10,000</u>

div.	
To Bank - Payment of final div. 30,000	By R/S 30,000
To <u>30,000</u>	<u>30,000</u>

Prn. for tax	
To Bank 35,000	By Bal. 30,000
	By R/S 30,000
To Bal. <u>25,000</u> <u>60,000</u>	<u>60,000</u>

PIM	
To Bal 2,400,000	By PIM Disposal 600,000
" Bank - Pur. 1,800,000	By Bal. 3,600,000
<u>4,200,000</u>	<u>4,200,000</u>

PIM dis posal.	
To PIM 60,000	By Prn for dep 20,000
" Prn for sale 4,000	" Bank - sale 44,000
<u>64,000</u>	<u>64,000</u>

Preliminary exp	
To Bal 15,000	By R/S - written off 3,000
	By Bal. 12,000
<u>15,000</u>	<u>15,000</u>

Interim div.	
To Bank - Payment of interim div 25,000	By R/S 25,000
<u>25,000</u>	<u>25,000</u>