

Qno.1: Pakistan Digitech Company's comparative balance sheets and income statements for the year 2006 are following:

Pakistan Digitech Company Balance Sheet-Comparative			Pakistan Digitech Company Income Statement(2007)	
Assets	2007	2006	Sales	2,300,000
Cash	140,000	100,000	Less: Cost of Goods Sold	(1,200,000)
Accounts Receivable	210,000	150,000	Gross Profit	1,100,000
Inventory	500,000	430,000	Less: Operating Expenses	(700,000)
Prepaid Expenses	20,000	60,000	Net Operating Income	400,000
Plant and Equipment	1,900,000	1,400,000	Add: Gain on sale of long-term investment	50,000
Less: Accumulated Depreciation	(650,000)	(540,000)	Income before Taxes	450,000
Long Term Investments	700,000	900,000	Less: Taxes Expense	(140,000)
Total	2,820,000	2,500,000	Net Income	310,000
Liabilities and Shareholders' Equity			Additional Information:	
Accounts Payable	260,000	250,000	Dividend of Rs.180,000 was declared and paid during the year.The gain on sale of long-term investment was from the sale of investment for Rs.250,000 in cash.The investment had an original cost of Rs200,000.There was no retirement or disposal of plant and equipment during the year.	
Accrued Expenses	100,000	120,000		
Taxes Payable	490,000	490,000		
Debenture Payable	500,000	400,000		
Ordinary Share Capital	800,000	700,000		
Retained Earnings	670,000	540,000	Required: Cash Flow Statement using:	
Total	2,820,000	2,500,000	1) Direct Method 2) Indirect Method	

Qno.1: BAMZ Company's comparative balance sheets for the year 2018 are following:

BAMZ Company				
Balance Sheet-Comparative				
Assets	2018	2017	Additional Information:	
Cash	68,000	22,000	1	Net Income for 2018 was Rs.93,000
Accounts Receivable	88,000	76,000	2	Depreciation Expense Rs.34,000
Inventory	167,000	189,000	3	Cash dividend of Rs.39,000 was declared and paid
Land	80,000	100,000	4	Bonds payable amounting to Rs.50,000 were redeemed for cash Rs.50,000
Equipment	260,000	200,000	5	Ordinary shares were issued for Rs.42,000 cash.
Accumulated Depreciation	(66,000)	(32,000)	6	No equipment was sold during 2018
Total	597,000	555,000	7	Land was sold for its book value
			Required:	
Liabilities and Shareholders' Equity			Prepare cash flow statement	
Accounts Payable	39,000	43,000		
Bonds Payable	150,000	200,000		
Ordinary Share Capital(Rs.10 each)	216,000	174,000		
Retained Earnings	192,000	138,000		
Total	597,000	555,000		