



# St. Lawrence High School



A Jesuit Christian Minority Institution

Answer Key 57

Sub: ACCOUNTANCY

Class 12 F.M. 15

Chapter: Unit 6

Date: 06/02/2021

Topic: Cash Flow Statement

**Choose the correct alternatives**

**1 x 15 = 15**

1. Cash Flow Statement is prepared as per  
(a) AS-1; (b) AS-2; **(c) AS-3**; (d) none of these
2. Which of the following activity appears in cash flow statement?  
(a) operating activity; (b) investing activity; (c) financing activity; **(d) all of these**
3. Purchase and sale of fixed assets and investments are considered under which activity?  
(a) operating activity; **(b) investing activity**; (c) financing activity; (d) all of these
4. Issue of shares and redemption of pref. shares & debentures are considered under which activity?  
(a) operating activity; (b) investing activity; **(c) financing activity**; (d) all of these
5. Interest on debentures and loan paid is an example of  
(a) operating activity; (b) investing activity; **(c) financing activity**; (d) all of these
6. Interest received on investment is an example of  
(a) operating activity; **(b) investing activity**; (c) financing activity; (d) all of these
7. Share issue expenses is an example of  
(a) operating activity; (b) investing activity; **(c) financing activity**; (d) all of these
8. If shares are issued at a premium the proceeds of SPR will appear under  
(a) operating activity; (b) investing activity; **(c) financing activity**; (d) all of these
9. If net increase in cash & bank balance is Rs. 2,00,000 and opening cash and bank balances is Rs. 80,000, closing cash and bank balances is  
(a) Rs. 1,20,000; **(b) Rs. 2,80,000**; (c) Rs. 2,00,000; (d) Rs. 80,000
10. If opening fixed assets is Rs. 3,00,000, purchase of fixed assets is Rs. 1,00,000 and depreciation is charged for Rs. 40,000, closing fixed assets is?  
(a) Rs. 4,40,000; **(b) Rs. 3,60,000**; (c) Rs. 4,00,000; (d) Rs. 3,40,000
11. Opening debentures is Rs. 4,00,000, closing debentures is Rs. 2,50,000, the difference is known as  
(a) issue of debentures Rs. 1,50,000    **(b) redemption of debentures Rs. 1,50,000**  
(c) writing off debentures Rs. 1,50,000; (d) none of these
12. If opening goodwill is Rs. 1,50,000 & closing is Rs. 1,00,000 the difference is known as  
(a) depreciation of goodwill; **(b) amortization of goodwill**; (c) sale of goodwill; (d) none of these
13. Payment of dividend to the shareholders is an example of  
(a) operating activity; (b) investing activity; **(c) financing activity**; (d) all of these

14. Which one of the following is an example of non cash expense?

(a) purchase of fixed assets; (b) purchase of investment;

**(c) depreciation of fixed assets;** (d) payment of dividend

15. If opening stock is Rs. 2,00,000 & closing stock is Rs. 1,50,000 the difference will be \_\_\_\_ in Operating Activity?

**(a) added;** (b) deducted; (c) either added or deducted; (d) none of these

Compiled by

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