

Rewanchal Software Limited: Statement of Cash Flow

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List of Transactions for Rewanchal Software Ltd. (RSL) ☐ On March 1, Rewanchal & others invest Rs. 50,000 in cash in RSL. □ On March 2, Rewanchal took a loan of Rs. 20,000 from Venu for RSL. On March 3, RSL purchased for cash two computers, each costing Rs. 29,000. On March 4, RSL purchased supplies for floppy disks and stationary for Rs. 6,000 on credit. On March 19, RSL completes its maiden sale of software to a retail store and receives a price of Rs. 12,000. ☐ On March 21, RSL pays Rs. 2,000 to its creditors for supplies. ☐ On March 29, RSL pays salaries to its employees, amounting to Rs. 4,000 and as office rent Rs. 1,200. ☐ On March 30, RSL completes and e-mails a software package for a shoe shop. The customer agrees to pay the price of Rs. 8,000 a week later. On March 31, Rewanchal withdraws Rs. 3,500 for his personal use.

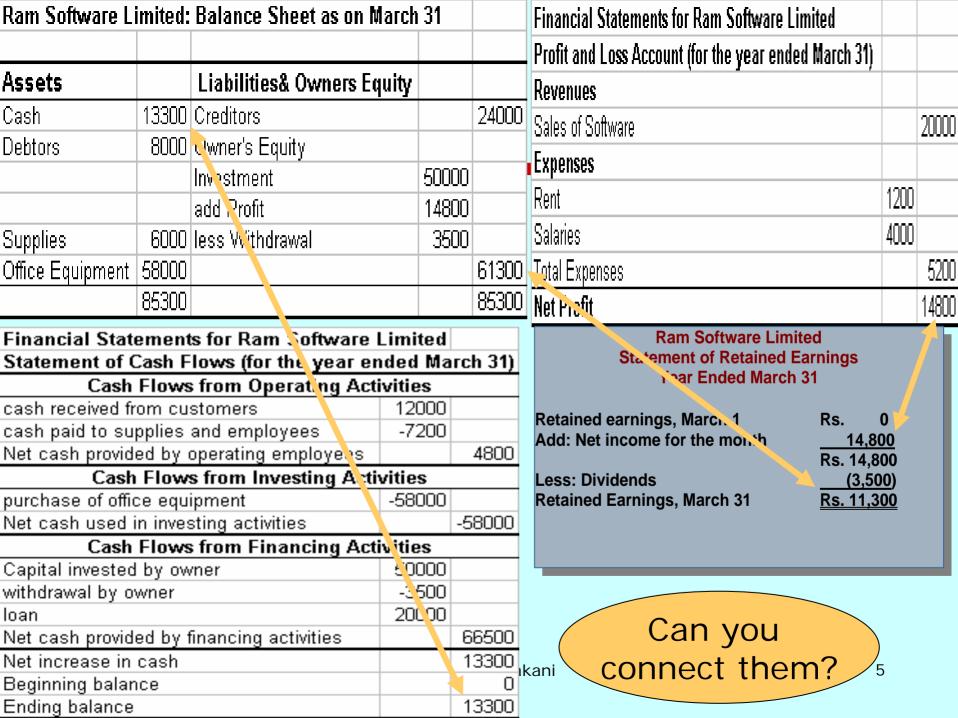


Required

- □ Prepare the month end "Statement of Cash Flow" of Rewanchal Software Limited?
- Hint: Separate Operating, Investing, and Financing Activities
- What is your comment on the companies liquidity position?
- □ Can you link all the three financial statements of Rewanchal Software Limited (i.e., Balance Sheet, Income Statement, and Statement of Cash Flow)

Financial Statements for Ram Software Limited

Statement of Cash Flows (for the year ended March 31)		
Cash Flows from Operating Activities		
cash received from customers	12000	
cash paid to supplies and employees	-7200	
Net cash provided by operating employees		4800
Cash Flows from Investing Activities		
purchase of office equipment	-58000	
Net cash used in investing activities		-58000
Cash Flows from Financing Activities		
Cash Flows from Financing Acti	ivities	
Cash Flows from Financing Acti Capital invested by owner	ivities 50000	
-		
Capital invested by owner	50000	
Capital invested by owner withdrawal by owner	50000 -3500	66500
Capital invested by owner withdrawal by owner loan	50000 -3500	66500 13300
Capital invested by owner withdrawal by owner loan Net cash provided by financing activities	50000 -3500	





Thank You

