



# SNS College of Technology

Coimbatore - 35



## 23BAT605 – FINANCIAL STATEMENT ANALYSIS Unit II – ANALYSIS OF FINANCIAL STATEMENTS

Topic: Guess?????



**Presented by**

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**1<sup>st</sup> Indian Institution to Implement Design Thinking Curriculum**  
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Topic....





# Meaning



## APPLICATION OF FUNDS





## Fund Flow Statement Format

Statement of Sources and Application of Funds	Current Year
<b>Sources of Fund</b>	
Fund Generated from Operating Activities	23,110.00
Proceeds from issue of Share Capital	5,000.00
<b>Total Source of Funds</b>	<b>28,110.00</b>
<b>Application of Fund</b>	
Purchase of Fixed Assets	21,610.00
Increase in Working Capital	6,500.00
<b>Total Application of Funds</b>	<b>28,110.00</b>





## Sources

- Fund from Operation
  - Sale of Fixed Asset
  - Issue of Shares

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## Application

- Purchase of Fixed Asset
- Purchase of Investments
  - Increase in Working Capital





## Objectives/Advantages of Fund Flow

# MOVEMENT OF FUND

*Financial Performance*





# Funds from Operations

Net Profit (After Tax)	XX
Adjust: Non-Cash Expenses	
Depreciation/ Amortisation	XX
Adjust: Non-operating Items	
Interest or Dividend	
Loss/Profit on sale of fixed asset	XX
Funds from Operation	XX





# Statement of Changes in Working Capital



<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>	<b>Increase / Dec in W.C.</b>
<b>A. Current Assets</b>			
Stock			
Debtors			
Bank			
<b>Total CAs</b>			



<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>	<b>Increase / Dec in W.C.</b>
<b>B. Current Liabilities</b>			
<b>Creditors</b>			
<b>O/S Expenses</b>			
<b>Total CLs</b>			
<b>Working Capital (A-B)</b>			



# Fund Flow Statement

<b>Inflows</b>	<b>Rs.</b>	<b>Rs.</b>
Funds from Operation	XX	
Decrease in Working Capital	XX	
Sale of Fixed Assets	XX	
Sale of Investment	XX	
Issue of Shares/ Debentures	XX	
Non-Operating income	XX	
Loan Taken	XX	
<b>Total Inflows</b>		<b>XX</b>



# Fund Flow Statement

<b>Outflows</b>	<b>Rs.</b>	<b>Rs.</b>
Loss from Operations	XX	
Increase in Working Capital	XX	
Purchase of Fixed Assets	XX	
Purchase of Investment	XX	
Redemption of Shares/Debentures	XX	
Non-Operating Expenses	XX	
Dividend Paid	XX	
<b>Total Outflows</b>		<b>XX</b>



# Time for the assessment...



**Which statement is prepared in the process of funds flow analysis?**

- a) Schedule of changes in working capital
- b) Funds Flow Statement
- c) Both a and b
- d) None of the above



# Summary

## Fund Flow Statements

SUMMARY





# References...



<https://www.yourarticlelibrary.com/accounting/funds-flow-statement/funds-flow-statement-meaning-objective-and-importance/59618>





Thank  
you





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