

Topic - Calculation of Fund from Operation

Quos - Profit & Loss Appropriation A/c

	31-12-18	31-12-19
General Reserve	100000	130000
Goodwill	70000	85000
Preliminary Expenses	30000	15000
Provision for Depreciation	18000	12000
Provision for Doubtful debts	30000	36000
	1234	4321

Solution - Calculation of Funds from operation

Particulars	₹	₹
Difference Between closing and opening balance (₹ 130,000 - 100,000)		30,000
Add → Non-Fund or Non-operating <del>Expenses</del>		
i. General Reserve (85000 - 70000)	15,000	
ii. Goodwill written-off (₹ 30000 - 15000)	15,000	
iii. Preliminary Expenses (₹ 18000 - ₹ 12000)	6,000	
iv. Provision for depreciation (₹ 36000 - 30000)	6,000	
<b>Funds from operations</b>		<b>₹ 72,000</b>

Note - Provision for bad debts केनदारों से प्रभावित करता है, जो कि बालू संपत्ति है इसलिए इसे Funds from operation से गणना करते समय नहीं लिया गया है।

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