

16/12/2019
#68

B342

P.P. Q.6

Debtors presentation in indirect cash flow

Opt #1 net (Recommended)

PBT	(654 - 10)	644
Adj: Dep		
⋮		
w.c. charges		
- Debtor - net (133 - 57)	(76)	
	<u>568</u>	

Opt #2 gross (Not recommended)

PBT	(654 - 10)	644
Adj: Dep		
Provision for D.D. (7-3)	+ 4	
⋮		
w.c. charges		
- Debtor gross (140 - 60)	80	
	<u>568</u>	

Debtor		Provision	
b/d	60	Bad Debt written off	6
Sale	654	b/d	3
c/d	140	Bad Debt Expense (B/d)	10
		c/d	7

Gross	$(\frac{133}{95} \times 100)$	$\frac{15}{140}$	$\frac{14}{60}$	$(\frac{57}{95} \times 100)$
Less: Provision (B/d)		(7)	(3)	
Net		<u>133</u>	<u>57</u>	