

Duration 2 ½ Hour

Marks: 75

- Note:** 1) All questions are compulsory.
 2) Working note should form part of your answer.
 3) Figures to the right indicate full marks.

Q1A) Match the Column (Any 8 / 10)

(8)

| Column A | Column B |
|---|--|
| Banking Companies | Profit & Loss Account of Insurance Company |
| Schedule 3 of Banking Companies | 25% of Current Year Profit |
| Statutory Reserve | 100% of Net Premium Received |
| Reserve for Unexpired Risk in case of Marine Business | AS-3 |
| Cash Flow Statement | Deposits |
| Sale of Investment | Balance sheet of Banking Companies |
| Form B-PL | Must be Broad in Scope |
| Form A | Provides Consistency |
| Principle Based Approach | Investing Activity |
| Rule Based Approach | Governed by Banking Regulation Act 1949 |

Q1B) State whether following statement is True or False (Any 7 / 10)

(7)

- 1) A banking company requires a licence from SEBI.
- 2) Schedule 9 of Banking Companies is advances
- 3) Schedule 1 of Insurance Companies is Commission
- 4) Claims on Reinsurance Accepted is less from claims paid
- 5) Gross Block less Accumulated Depreciation = Net Block
- 6) The final accounts of companies are to be prepared in accordance with the provision of Companies Act 1956
- 7) Payment to employees is a cash out flow
- 8) ASB is Accounting standard board
- 9) Share Based Payment is governed by IFRS 2
- 10) Purchase of Furniture will be shown in the Cash Flow Statement as Investing cash flow

Q2 A) From the following information find out the amount of provision required to be made in the Profit & Loss Account of Laxmi Commercial Bank Ltd for the year ended 31/3/2022

(8)

| Advances | Rs (lakhs) |
|---------------------|--------------|
| Standard Asset | 1,200 |
| Sub- Standard Asset | 440 |
| Doubtful Asset : | |
| Upto One year | 180 |
| One to Three years | 135 |
| More than 3 years | 60 |
| Loss Asset | 120 |

Q2B) Calculate Rebate on Bills Discounted as on 31/3/2022 from the following data. (7)

| Date of Bill | Amount (Rs) | Period | Rate of Discount |
|--------------|---------------|----------|------------------|
| 15/1/2022 | 2,50,000 | 5 months | 9% |
| 10/2/2022 | 1,50,000 | 4 months | 12% |
| 25/2/2022 | 2,00,000 | 4 months | 8% |

OR

Q2) The following is the balance sheet of Avishkar Bank Ltd as on 31/3/2022

| Particulars | Debit | Credit |
|----------------------------------|-----------|-----------|
| Share Capital (FV Rs 10 each) | | 3,00,000 |
| Statutory Reserve | | 4,00,000 |
| Fixed Deposits | | 2,78,000 |
| Saving Bank Deposits | | 4,50,000 |
| Current Deposits | | 3,74,000 |
| Cash in hand | 2,90,000 | |
| Cash with RBI | 4,20,000 | |
| Interest and Discount | | 3,00,000 |
| Commission and Brokerage | | 50,000 |
| Interest on Fixed Deposits | 30,000 | |
| Interest on Saving Bank Deposit | 20,000 | |
| Interest on Current Deposits | 12,000 | |
| Salaries | 1,31,000 | |
| Rent, Insurance and Taxes | 4,000 | |
| Postage and Telegram | 900 | |
| Printing & Stationery | 7,000 | |
| Audit Fees | 4,000 | |
| Depreciation | 3,100 | |
| Investment in Shares | 84,000 | |
| Loans ,Cash Credit and Overdraft | 4,90,000 | |
| Bills Discounted and Purchased | 1,80,000 | |
| Government Bonds | 1,60,000 | |
| Furniture | 40,000 | |
| Premises | 3,00,000 | |
| Bills Payable | | 24,000 |
| | 21,76,000 | 21,76,000 |

Additional Information :

- 1) Rebate on Bills Discounted Rs 22,000
- 2) Create Reserve for Doubtful Debts Rs 12,000
- 3) Acceptances on Behalf of Customer Rs 1,80,000

You are required to prepare Profit & Loss Account for the year ended 31/3/2022 and Balance Sheet as on that date

(15)

Q3) From the following figures taken from Mata Insurance Co Ltd prepare Revenue Account Marine Department for the year ended 31st March 2022. (15)

| Particulars | Amt Rs |
|---|-----------|
| Reserve For Unexpired Risk as on 1 st April 2022 | 20,40,000 |
| Premium on Direct Business | 31,60,000 |
| Claims Outstanding as on 1 st April 2022 | 5,60,000 |
| Claims Paid During the year | 17,40,000 |
| Commission Paid | 10,40,000 |
| Premium On Reinsurance Accepted | 14,60,000 |
| Premium On Reinsurance Ceded | 6,40,000 |
| Commission on Reinsurance Ceded | 32,000 |
| Claims Outstanding as on 31 st March 2022 | 2,80,000 |
| Reinsurance Claims Recovered | 8,60,000 |
| Commission on Reinsurance Accepted | 73,000 |
| Operating Expenses | 8,60,000 |

OR

Q3)From the following balances of Jai General Insurance Co Ltd as on 31/3/2022.Prepare Fire Revenue Account , Marine Revenue Account and Profit & Loss Account. (15)

| Particulars | Rs | Particulars | Rs |
|----------------------|----------|---|-----------|
| Commission : | | Commission earned on Reinsurance Ceded : | |
| Fire | 1,80,000 | Marine | 1,20,000 |
| Marine | 2,16,000 | Fire | 60,000 |
| Claims Paid : | | Share Capital | 18,00,000 |
| Fire | 3,60,000 | Management Expenses : | |
| Marine | 7,20,000 | Fire | 2,90,000 |
| Bad Debts Recovered | 4,000 | Marine | 8,00,000 |
| Share Transfer Fees | 8,000 | Premium : | |
| Directors Fees | 30,000 | Fire | 12,00,000 |
| Auditors Fees | 50,000 | Marine | 21,60,000 |
| Bad Debts : | | Profit on Sale of Land | 1,20,000 |
| Marine | 24,000 | Miscellaneous Receipts | 10,000 |
| Fire | 10,000 | Interest And Dividend | 28,000 |
| | | Depreciation | 70,000 |

Q4A)The authorised share capital of a Tamba Ltd is Rs 2,00,00,000 divided into 1,00,000 10% Preference Shares of Rs 100 each and 10,00,000 Equity Shares of Rs 10 each.75% of each class of shares were issued to the public fully paid up. Rs 20 per share on 2,000 10% Preference Shares and Rs 4 per share on 40,000 equity shares was not received.

The company reserves and surplus was as under

| Particulars | Rs |
|---|-------------|
| General Reserve (Opening Balance) | 60,00,000 |
| Profit & Loss Account (Opening Balance) | 20,00,000 |
| Net Profit for the year | 1,20,00,000 |
| Interim Dividend Paid | 56,00,000 |
| Transfer made to General Reserve | 40,00,000 |

Prepare the Notes on Share Capital and Reserves & Surplus forming part of Balance Sheet of the company. (08)

Q4B) Prepare Fixed Asset Schedule from the following details

| Particulars | Cost (Rs) (1/4/22) | Provision for Depreciation (1/4/2022) |
|-------------------|------------------------|---|
| Goodwill | 5,00,000 | --- |
| Land & Building | 23,00,000 | 3,00,000 |
| Plant & Machinery | 5,75,000 | 75,000 |
| Delivery Van | 50,000 | 20,000 |

Depreciation is to be provided as : Land & Building @ 5% ; Plant & Machinery @ 12% and Delivery Van @ 15% on WDV Method (07)

OR

Q4) Zim Ltd gives you the following balancesheet for the year ended 31st March 2021 and 31st March 2022. Prepare and estimate cash flow for the year ended 31st March 2022. (15)

| Liabilities | 2021 | 2022 | Asset | 2021 | 2022 |
|------------------------|-----------------|-----------------|-------------------|-----------------|-----------------|
| Share Capital | 2,50,000 | 3,00,000 | Goodwill | 50,000 | 40,000 |
| Reserves | 1,69,000 | 1,51,500 | Land & Building | 2,50,000 | 2,75,000 |
| Debentures | 2,50,000 | 3,00,000 | Plant & Machinery | 3,00,000 | 3,70,000 |
| Bank Loan | 80,000 | 1,00,000 | Investment | 40,000 | 50,000 |
| Creditors | 40,900 | 50,700 | Stock | 30,000 | 40,000 |
| Proposed Dividend | 35,000 | 40,000 | Debtors | 62,000 | 62,500 |
| Provision for taxation | 40,000 | 55,500 | Cash Balance | 12,000 | 10,000 |
| | | | Bank Balance | 1,20,900 | 1,50,200 |
| | 8,64,900 | 9,97,700 | | 8,64,900 | 9,97,700 |

Other Information:

- 1) The Company Paid tax for Rs 45,000 during the year
- 2) Depreciation was charged on Land & Building and Plant & Machinery at 12,000 and 17,000 respectively
- 3) Investment costing Rs.10, 000 was sold for Rs.12, 000 during the year .

Q5a) What are the reasons for unethical reporting? (8)

Q5b) What are the objectives of IND AS 10? (7)

OR

Q5) Write Short Notes (Any 3 /5) (15)

- 1) Whistle Blowers.
- 2) Reserve for Unexpired Risk.
- 3) Importance of Cash Flow Statement.
- 4) Rebate on Bill Discounted.
- 5) Need for Converge of IFRS.
