

Q.P. Code :36237

[Time: 02:30 Hours]

[Marks:75]

Please check whether you have got the right question paper.

- N.B:
1. All question are Compulsory.
 2. All question carry 15 marks each.
 3. Working notes should form part of your answer.

- Q.1 a) Choose correct alternative and rewrite the statement: (Any Eight) 08
1. Liability of designated partner in LLP
 - (a) Limited
 - (b) Unlimited
 - (c) a & b
 - (d) None the above
 2. The CRR to be maintained by the banking company is
 - (a) 6%
 - (b) 5%
 - (c) 2.5%
 - (d) 5.5%
 3. The mean of the exchange rates in force during a period is known as
 - (a) Average rate
 - (b) Closing rate
 - (c) Reporting rate
 - (d) none of the above.
 4. Cost of Investment includes
 - (a) Purchase price
 - (b) Stamp duty
 - (c) Brokerage
 - (d) All of the above
 5. In the case of marine insurance the provision for unexpired risk as per the Executive committee of General Insurance council is
 - (a) 80%
 - (b) 100%
 - (c) 50%
 - (d) 60%

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6. Money at call and short notice is disclosed under
 - (a) Cash and Bank balance
 - (b) Investment
 - (c) Provision
 - (d) None of the above

 7. Interest on securities is always calculated on
 - (a) Cost price
 - (b) Market price
 - (c) Face value
 - (d) All of the above

 8. At the end of the year the balance on foreign exchange fluctuation a/c is transferred to
 - (a) Foreign exchange fluctuation a/c
 - (b) Profit and loss a/c
 - (c) Balance sheet
 - (d) none of the above

 9. Certificate of incorporation of limited liability partnership is issued by
 - (a) Government
 - (b) SEBI
 - (c) stock exchange
 - (d) Registrar of companies

 10. Unclaimed dividend is shown by bank under
 - (a) Deposits
 - (b) Advances
 - (c) Other liabilities
 - (d) Contingent liabilities
- a) State whether the following statements are true or false (any seven)
1. Share capital of a banking company includes equity shares only.
 2. The Investment as per AS-13, is under only financial investment.
 3. In fluctuating exchange rate use of average rate is unreliable.
 4. At least one of the partners of LLP should be resident in India.
 5. In fire insurance, the compensation is equal to the loss incurred.
 6. Claim on Re- insurance accepted is added to claims Paid.
 7. Discounting of bill is converting the bill into cash.
 8. In the case of bonus, only nominal value is entered in nominal value column of the investment account.
 9. Exchange rate is the ratio of exchange of two currencies.
 10. Form No.2 is the form of incorporation under limited liability partnership.

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- Q.2 a) The following figures are taken from the books of Abhaya bank Ltd. You are required to prepare the Balance sheet as at 31st March , 2017 and profit and Loss A/C for the year ended as on that date: 15

PARTICULARS	AMOUNT	PARTICULAR	AMOUNT
Current Accounts	32,00,000	Interest and Discount received	30,00,000
Saving Bank Account	1,20,00,000	Interest accrued and paid	8,00,000
Fixed and Time Deposits	38,00,000	Salaries and Allowances	2,04,000
Sundry Creditors	1,20,000	Salary to General Manager	96,000
Bills Payable	32,00,000	Directors Fees	20,000
Bill for collection	5,60,000	Rent and rates	80,000
Acceptances and endorsement on behalf of customers	8,00,000	General expenses	12,000
Borrowing from Bank	28,00,000	Stationery and Printing	20,000
Unclaimed Dividend	1,20,000	Audit fees	8,000
Dividend for 2016	2,00,000	Money at call and short notice	12,00,000
Profit and Loss Account (cr.)	8,40,000	Investment at cost	1,20,00,000
Reserve fund	14,00,000	Premises (after depreciation up to March 2016 Rs. 4,00,000)	48,00,000
Share Capital (Authorised & Issued 2,00,000shares of Rs. 20 each Rs. 10 paid up)	20,00,000	Cash in hand	2,40,000
		Cash with RBI	60,00,000
		Cash with other bank	52,00,000
		Bills discounted and purchased	24,00,000
		Loans overdrafts and cash credit	2,80,00,000

Rebate on bill discounted for unexpired term amounted to Rs. 20,000. Create provision for taxation Rs. 4,00,000 and for Doubtful debtors Rs. 1,20,000. Allow 5% Depreciation on premises on the original cost.

OR

- Q.2 On 1st January,2012 John Ltd Imported goods worth \$85,000 from Synergy Ltd USA. The payment were made as under: 15

Date	Amount of Installment — US(\$)	Exchange Rate per US \$ (Rs.)
10-01-2012	16,000	Rs.61
15-02-2012	18,000	Rs.62
15-03-2012	29,000	Rs.63
15-04-2012	22,000	Rs.59

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Exchange rate on 1/1/2012 was 1\$ = Rs. 60

Books are closed on 31st March every year. The Exchange rate on 31/3/2012 was \$ 1 = Rs. 63.

Pass necessary journal entries in the books of John Ltd to record the above transaction and also prepare Synergy Ltd. USA Account and foreign exchange fluctuation account in the books of John Ltd. For the year ended 31/3/2012 and 31/3/2013.

- Q.3 From the following information of M/S Big fish Marine Insurance co Ltd. Prepare the Revenue Account as per 15 regulations of IRDA for the year ended 31st March , 2017:

PARTICULARS	Rs.
Premium received	18,75,000
Premium outstanding on March 31,2017	1,25,000
Premium paid on reinsurance ceded	2,28,000
Claims paid	10,54,000
Estimated liability in respect of outstanding claims:	
On April 1 2016	1,89,000
On March 31,2017	2,25,000
Expenses of management (includes Rs. 45000 Surveyors fee and 65000 legal expenses paid for settlement of claims)	4,85,000
Interest and dividend (Gross)	1,65,250
Income tax on the above Interest and dividend	49,575
Profit on sale of investment	46,000
Commission paid	1,94,000

Balance of fund on 1st April, 2016 was Rs. 18,50,000 including addition reserve of Rs. 1,80,000
Additional Reserve has to be maintained at 10% of net premium for the year.

OR

- Q.3 From the following Trial balance of Sudhakar and Prabhakar (LLP) You are required to prepare a profit and loss A/c for the year ended 31st March,2017 and Balance sheet as on that date. 15

Trial balance (as on 31st March , 2017)

PARTICULARS	Dr.(Rs.)	Cr. (Rs.)
Opening stock	60,000	-
Salary and wages	4,500	-
Carriage	2,500	-
Purchase and sales	60,000	1,25,000
Bills Receivable and bills payable	600	1000
Rent	3,500	
Reserve for bad and doubtful debts	-	800

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Sundry Debtors and Creditors	18,000	16,000
Returns	1000	500
Machinery	12,000	
Travelling expenses	3,000	-
Cash at bank	1,000	
Building	25,000	-
Office expenses	2,700	-
Advertisement for 3 year	3,000	
Drawings:		-
Sudhakar	1,000	-
Prabhakar	1,500	-
Capital account:		
Sudhakar	-	20,000
Prabhakar		15,000
Insurance	600	-
Reserve Fund	-	21,600
Total	1,99,900	1,99,900

Adjustments:

1. Closing stock Rs. 25000, Market Value Rs. 30,000
2. Partner sharing profit and loss equally
3. Goods costing Rs. 3,000 were destroyed by fire.
4. Provide depreciation on machinery @10%and on building @20%
5. Provide Reserve for doubtful debts @ 5% on sundry debtors.

Q.4 During the year ended 31st March, 2013 Mr. Raj bought and sold the following 12% Debenture of Rs. 100 each Of Zen Ltd. Interest being payable by Zen Ltd On 1st April and 1st October each year. 15

Date	Particulars
1 st June ,2012	Bought 300 debentures at R5.92 ex- interest
1 st September,2012	Bought 300 debentures at Rs.94 cum — interest
1 st December, 2012	Sold 200 debentures at Rs.95 ex- interest
1 st February,2013	Bought 150 debentures at Rs.98 cum — interest

Books are closed on 31st March every year . Market price on 31st March 2013 was, Rs.90 per Debenture.

You are required to prepare Investment in 12% Debentures in Zen Ltd .account for the year ended 31st March, 2013 in the books of Mr. Raj.

OR

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Q.4 On 1-4-2012 Mr. Krishna Murty purchased 1000 equity shares of Rs. 100 each in Telco Ltd @ Rs. 120 Each 15
from a Broker, who charged 2% Brokerage. He incurred 50 paise per Rs. 100 as cost of shares Transfer stamps.
On 31-1-2013 Bonus was declared in the ratio of 1:2. Before and after the record
Date of bonus shares, the shares were quoted at Rs. 175 per share and Rs. 90 per share respectively.
On 31-3-2013 Mr. Krishna Murty sold bonus share to a Broker who charged 2% brokerage .
Show the investment account in the books of Mr. Krishna Murty who held the shares as current assets
And closing value of investment shall be made at cost or market value whichever is lower.

Q.5 a) Explain Weighted average Method under Investment Accounting. 08
b) Explain the type of General Insurance 07

OR

Write short notes on any three of the following: 15

- i. Designated Partner
- ii. Inter- related transaction in foreign currency
- iii. ex- interest and cum — interest Price
- iv. Re-insurance
- v. Money at call and short notice.
