

N.B: (1) All Questions are compulsory.

Q.1A) Rewrite the statement by selecting the correct alternative (**Any Eight**) (08)

- 1) Commission ,Exchange and Brokerage is shown by a bank in _____
 - a) On the face of the main profit and loss account.
 - b) In schedule operating expenses.
 - c) In schedule of other income.
 - d) In schedule of Interest Earned.
- 2) Surplus on revaluation should be treated as _____
 - a) Other income
 - b) Capital Reserve.
 - c) Statutory Reserve
 - d) Revenue Reserve.
- 3) As per IRDA Regualtions, an insurance company is required to prepare _____
 - a) Revenue Account.
 - b) Profit and Loss Account
 - c) Balance Sheet.
 - d) All of the above.
- 4) Premium shall be recognised as income _____
 - a) When received
 - b) When due
 - c) When received or due whichever is earlier.
 - d) When received or due whichever is later.
- 5) On what basis is depreciation charged when the market value of the asset has change _____
 - a) Depreciable Amount.
 - b) Market value.
 - c) Historical cost.
 - d) Cost or market value whichever is earlier.
- 6) According to AS 2 , cost of inventories should exclude _____
 - a) Direct labour cost.
 - b) Interest on loan.
 - c) Production overhead.
 - d) Cost of designing product.
- 7) Statement of Affair should be prepared in the format prescribed in _____
 - a) Form 153
 - b) Form 57
 - c) Form 156
 - d) Schedule VI.

- 8) The official liquidator is appointed in case of _____
- Compulsory winding up by the court.
 - Voluntary winding up by members.
 - Voluntary winding up by creditors.
 - All of the above.
- 9) LLP should have minimum _____
- 7 Partners.
 - 2 Partners.
 - 50 Partners.
 - 3 Partners.
- 10) Every limited liability partnership shall have at least _____ designated partners.
- 7
 - 2
 - 50
 - 3

Q.1B) State whether the following statements are True or False (**Any Seven**)

(07)

- The heading "Other Assets" does not include Gold.
- Surplus on revaluation should be treated as Other Income.
- Agents' Balances shown in the balance sheet of insurance Company under advances.
- Outstanding premium is shown in the balance sheet of an Insurance company under Current Assets.
- Useful life of a depreciable asset may be shorter than its physical life.
- Costs due to abnormal wastage of material should not be included in the cost of Inventories.
- If the company is insolvent, interest on debentures is payable up to the date of actual Payment.
- If the remuneration to liquidator is payable on distribution, distribution to Contributories are included.
- Foreign Nationals cannot be a partner in LLP.
- Insolvency of a partner of LLP automatically results in its dissolution.

Q.2) From the following balances as on 31st March 2016, Prepare Revenue account for the Marine business of Reliance Company Ltd.

(15)

Particulars	Direct business (Rs)	Re-Insurance (Rs)
1. Received	4,60,000	72,000
2. Receivable		
On 1 st April, 2015	19,000	25,000
On 31 st March, 2016	26,000	25,500
3. Paid	-	46,000
4. Payable		
On 1 st April, 2015	-	28,000
On 31 st March, 2016	-	36,500
(B) Claims		
(1) Paid	2,35,000	30,000

(2) Payable		
On 1 st April ,2015,2016	12,500	3,000
On 31 st March ,	15,500	3,500
(3) Received	-	13,000
(4) Receivable:		
Oon 1 st April ,2015	-	3,000
On 31 st March ,2016	-	1500
(C) Commission	22,000	-
On Reinsurance Accepted	-	2,000
On Reinsurance Ceded	-	2,500
Other Expenses and Income		
(a) Salaries		1,40,000
(b) Rent and Rates		40,000
(c) Postage		3,000
(d) Stationery		30,000
(e) Dividend and interest Received		1,20,000
(f) Legal Expenses		18,000
(g) Balance of fund on 01-04-2015		3,85,000

OR

Q.2A) Find out the income to be recognised in case of DENA Bank Ltd. For the year ended 31st March, 2009:

(08)

Particulars	Rs in lakhs			
	Performing Assets		Non-Performing Assets	
	Interest Accrued	Interest Received	Interest Accrued	Interest Received
Term Loans	480	320	300	20
Cash credits and overdrafts	3,000	2,480	600	48

Q.2 B) The following information is available in the books of HDFC Bank Limited as on 31st March, 2007:

(07)

Particulars	Rs
Bills discounted	1,37,05,000
Rebate on Bills Discounted (as on 1-4-2006)	2,21,600
Discount received	10,56,650

Details of bills discounted are as follows:

Value of Bill (Rs)	Due Date	Rate of Discount
18,25,000	5-6-2007	12%
50,00,000	12-6-2007	12%
28,20,000	25-6-2007	14%
40,60,000	6-7-2007	16%

Calculate the rebate on bills discounted as on 31-03-2007 and give necessary journal entries.

Q.3) From the following details, prepare Profit and Loss Account of Yes Bank Ltd. for the year ended 31st March 2006. (15)

Particulars	Rs in Lakhs
Interest on loans	25.90
Interest on Fixed Deposits	27.50
Commission	0.82
Rebate on Bills Discounted	4.90
Salaries and Allowances	5.40
Discount on Bills Discounted (Net)	14.6
Interest on Cash Credit	22.30
Depreciation on Banks Property	4.00
Rent and Rates	1.80
Interest on overdraft	15.40
Director's fees	0.30
Audit Fees	0.50
Interest on Saving Deposits	6.80
Postage	0.14
Printing and Stationery	0.29
Sundry Expenses	0.15

Bad debts to be written off amounted to Rs 3.80 Lakhs. Provisions for taxation may be made at 35%. Transfer 20% of profits to Statutory Reserve and provide Rs 3, 00,000 for dividend.

OR

Q.3) From the following particulars prepare the Fire Revenue Account for 2002-03 (15)

Particulars	Rs in lakhs
Claims Paid	235
Legal expenses regarding claims	05
Premium received	600
Re-Insurance Premium	60
Commission	100
Expenses of management	150
Provisions of unexpired risk on 1 st April 2002	260
Claims unpaid on 1 st April 2002	20
Claims unpaid on 31 st March 2003	35

Q.4) Answer the following (Any Three) (15)

1) Raw Material was purchased at Rs 200 per kilo. Price of raw material is on the decline. The finished goods in which the material is incorporated is expected to be sold at below cost 20,000 kg raw material is on stock at the year end. Replacement cost is Rs 160 per kg. Value inventory As per AS 2.

2) In a production process normal waste is 10% of input. 10,000 MT of input was put in process resulting in a wastage of 600 MT. Cost per MT of input is Rs 2,000. The entire quantity of waste is on stock at the year end. Value inventory as per AS2.

3) Sony Pharma ordered 24,000 kg of certain material at Rs 80 per unit. The purchase price includes excise duty Rs 8 per kg in respect of which full CENVAT Credit is admissible. Freight incurred amounted to Rs 1,54,800. Normal transit loss is 6%. The company actually received 23,200 kg and consumed 20,200 kg of material. Compute cost of inventory under AS 2 and abnormal loss.

4) Small Mart has closing stock of several retail items having a MRP OF Rs 40,000 The average rate of gross profit on cost is 25%. Calculate the cost of closing stock using the Retail Method.

OR

Q.4) The position of Valueless Ltd .on its liquidation is as under:

Issued Capital and paid up Capital:

3,000, 11 % Preference shares of Rs 100 each fully paid

3,000 Equity shares of Rs 100each fully paid

1,000 Equity shares of Rs 50 each, Rs 30 per share paid.

Calls in Arrears are Rs 10,000 and Calls received in advance Rs 5,000. Preferenc Dividends are in arrears for one year. Amount left with the liquidator after discharging all liabilities is Rs 4,13,000. Articles of Association of the company provide for payment of Preference Dividend Arrears in priority to return of Equity capital. You are required to prepare the Liquidators Final Statement of Account.

Q.5) Answer the Following:

(15)

- 1) What are Contingent Liabilities in respect of Banking Company Final Accounts?
- 2) Explain Types of General Insurance.

OR

Q.5) Write short note on the following: (**Any three**)

(15)

- 3) Finished Goods
- 4) Fire Insurance
- 5) Liquidation
- 6) Designated Partners.
- 7) Partnership
