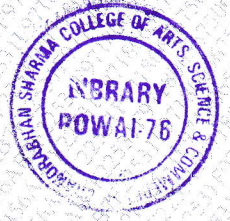


[Time: 2 ½ Hours]

[Marks: 75]



- N.B. 1. Q. 1 is compulsory.
 2. Q.2 to Q.5 are compulsory with internal choice.
 3. Figures to the right indicate full marks.
 4. Workings should form a part of your answer.
 5. Use of simple calculator is allowed.

Q.1) A) Match the following. (Any 8)

(8)

| | Column A | | Column B |
|----|------------------------------------|----|--|
| 1 | Balance sheet of banking companies | a. | In case of heavy risk |
| 2 | Demand deposits | b. | Credited to profit and loss |
| 3 | Fire insurance | c. | Repayable on demand |
| 4 | Reinsurance | d. | Issued by RBI |
| 5 | Profit on Sale of Investment | e. | Disclosed in the Schedule of Share capital |
| 6 | Bonus shares issued | f. | Financing Activity |
| 7 | License for banking | g. | General insurance |
| 8 | Issue of debentures | h. | Form A |
| 9 | Payment of Wages | i. | Investing Activity |
| 10 | Purchase of Fixed Assets | j. | Operating Activity |

Q.1) B) State whether the following statements are TRUE or FALSE (Any 7)

(7)

1. Rebate on bills discounted is unearned discount.
2. Standard assets are those assets which have the least risk.
3. IFRS – 1 deals with First time adoption of International Financial Reporting Standards
4. When a company gets reinsurance business, it has to pay commission.
5. Fixed Assets are always shown at net of depreciation basis
6. It is the duty of directors and management to ensure proper Code of Ethics are implemented.
7. Company Final Accounts formats are prescribed as per laws.
8. Reserve for Unexpired risk is 100% in case of marine business
9. AS-3 requires Cash flow statement to be prepared as per 'Indirect Method'
10. Revenue Account should be prepared separately for fire, marine & miscellaneous businesses.

Q.2) Following are the balances provided for Pushti Bank Ltd. as on 31-3-2018

[15]

| Particulars | Rs. | Particulars | Rs. |
|------------------------------------|----------|---|--------|
| Interest on loan | 2,59,000 | Profit on sale of Assets | 2,000 |
| Interest on fixed deposits | 2,75,000 | Profit on exchange transaction | 10,000 |
| Rebate on Bills discounted | 49,000 | Interest on RBI borrowings | 12,000 |
| Commission | 8,200 | Interest on borrowings from other banks | 10,000 |
| Establishment | 54,000 | Employee salaries | 20,000 |
| Discount of Bills discounted (net) | 1,95,000 | Interest on savings Bank deposits | 68,000 |
| Interest on cash credits | 2,23,000 | Postage & telegrams | 1,400 |
| Rent & Taxes | 18,000 | Printing & Stationery | 2,900 |
| Interest on overdrafts | 1,54,000 | Sundry charges (Cr) | 1,700 |
| Directors fees | 3,000 | Interest on current account | 42,000 |
| Auditors fees | 1,200 | Interest on balance with RBI | 50,000 |

Bad debts to be written off amounted to Rs. 40,000. Provision for taxation may be made @ 35%. Transfer 25% to statutory reserves and 5% to revenue reserves.

OR

Q2) A) From the following information find out the amount of provisions to be shown in the profit and loss account of Dhairyalaxmi Commercial Bank. (8)

| Assets | Rs (in lakhs) |
|-------------------------------------|---------------|
| Standard | 16,000 |
| Sub Standard | 8,000 |
| Doubtful upto one year | 3,600 |
| Doubtful upto three years | 1,600 |
| Doubtful upto more than three years | 1,200 |
| Loss assets | 1,200 |

Q2) B) From the Following data calculate rebate on Bills Discount as on 31.3.2018 [7]

| Bill No. | Amount Rs | Due Date | Rate of Discount |
|----------|-----------|------------|------------------|
| A456 | 2,737,500 | 05.06.2018 | 12% |
| B875 | 7,500,000 | 12.06.2018 | 12% |
| C578 | 4,230,000 | 25.06.2018 | 14% |
| D235 | 6,090,000 | 06.07.2018 | 16% |

Q.3) From the following figures relating to Ayush Insurance Company, Prepare Revenue Account for Fire Department, for the year ended 31st March, 2018. (15)

| Particulars | Direct Business Rs | Re insurance Rs |
|-------------------------|-----------------------|--------------------|
| Premium : | | |
| Received | 300000 | 45000 |
| Receivable - 01.04.2017 | 15000 | 2625 |
| Receivable - 31.03.2018 | 22500 | 3500 |
| Paid | - | 30000 |
| Payable - 01.04.2017 | - | 2500 |
| payable - 31.03.2018 | - | 5250 |
| Claims : | | |
| Paid | 206250 | 15625 |
| Payable - 01.04.2017 | 11875 | 1625 |
| payable - 31.03.2018 | 21875 | 2750 |
| Received | - | 12500 |
| Receivable - 01.04.2017 | - | 1125 |
| Receivable - 31.03.2018 | - | 1500 |
| Commission : | | |
| On Insurance accepted | 18750 | 1375 |
| On Re – insurance ceded | - | 1750 |

OR

Q.3) Bima Insurance Ltd Fire Insurance division provides the following information (15)

| Particulars | Rs. | Particulars | Rs. |
|--|---------|-------------------------------------|-----------|
| Reserve for Unexpired risk as on 31-3-2017 | 600,000 | Premium received | 2,000,000 |
| Outstanding Claims - 01-4-2017 | 200,000 | Commission - Direct business | 30,000 |
| Outstanding Claims - 31-3-2018 | 150,000 | Commission - Reinsurance ceded | 10,000 |
| Claims Paid | 800,000 | Commission - Reinsurance accepted | 5,000 |
| Reinsurance Premium Paid | 50,000 | Management Expenses | 600,000 |
| Reinsurance Premium Recovered | 30,000 | Interest & Dividends | 90,000 |
| | | Legal expenses (relating to claims) | 30,000 |

Prepare Revenue A/c for the year ended 31st March 2018 with appropriate unexpired risk provision.

Q.4) A) Jeeva Ltd provides the below information related to fixed assets of as on 31-03-2018 (8)

| Particulars | Debit Rs. | Credit Rs. |
|-------------------|-----------|------------|
| Plant & Machinery | 2000,000 | 500,000 |
| Goodwill | 1500,000 | - |
| Land | 3000,000 | - |
| Furniture | 800,000 | 75,000 |

The Company purchased machinery of Rs. 100,000 on 1-10-2017 and furniture of Rs. 25,000 on 1-1-2018. The company depreciates 10% on straight line method. Prepare fixed Assets Schedule.

Q.4) B) Following is the extract of trail balance of Ramkrishna Ltd on 31-03-2018. (7)

| Particular | Rs. |
|---|---------|
| Share Capital | 300,000 |
| General Reserves | 544,000 |
| Profit & Loss Account | 150,000 |
| <u>Share capital consists of Authorized Capital</u> | |
| 500, 8% Cumulative Redeemable Preference Shares of Rs. 100 each | 50,000 |
| 80,000 Equity Shares of Rs. 10 each | 800,000 |

Issued, Subscribed and Paid up:

250, 8% Cumulative Redeemable Preference Shares of Rs. 100 each

27,500 Equity Shares of Rs. 10 each

2,000 Equity shares were issued for consideration other than cash

Additional Information – Directors issued bonus shares to equity shareholders by capitalizing

General Reserve in the ratio 1:1 for which no adjustments were made in books

Prepare a Schedule of Share Capital and Reserves and Surplus.

OR

Q.4) Following are the Balance sheet of Swami Ltd.as on 31st Mar,2017 & 31st Mar,2018 (15)

| Liabilities | 2017 Rs. | 2018 Rs | Assets | 2017 Rs. | 2018 Rs. |
|--------------------|-------------|------------|-----------------|-------------|-------------|
| Share capital | 270,000 | 270,000 | Goodwill | 27,900 | 9,900 |
| Reserve | 81,000 | 108,000 | Land & Building | 64,800 | 90,000 |
| Loans | 90,000 | 54,000 | Plant | 226,800 | 170,100 |
| Fixed Deposits | 135,900 | 124,020 | Furniture | - | 81,000 |
| Sundry Creditors | 143,280 | 87,840 | Investments | 81,000 | 99,000 |
| Prov. for Dividend | 27,000 | 32,400 | Debtors | 189,000 | 228,240 |
| Prov. for Tax | 21,600 | 25,200 | Bank | 179,280 | 23,220 |
| Total | 768,780 | 701,460 | Total | 768,780 | 701,460 |

Additional Information:

- 1) Income tax provision for the year was Rs. 26,000
 - 2) Depreciation on Furniture is 10% and on Land & Building Rs. 10,000
 - 3) Investment costing Rs. 16,000 sold for Rs. 20,000 during the year
- You are required to prepare Cash Flow Statement for 31-3-2018.

- Q.5) a) State the benefits of IFRS to all stakeholders. (8)
 b) "Ethics is of paramount importance in Accounting Profession" – Discuss. (7)

OR

- Q.5) Write short notes on: (Any 3) (15)
1. Provision for Doubtful Debts
 2. Rebate on Bills Discounted
 3. Contingent Liability
 4. Contents of Directors Report
 5. Reinsurance