

Duration: 2.5 hours

Marks: 75

Note: 1) All questions are compulsory.**2) Working Notes should form part of your answer****3) Figures to the right indicate full marks****Q1) A) Select the most appropriate alternative from those given below and rewrite the statements. (Any 8) (08)**

1. The first item under Assets in the balance sheet of bank is _____.
 - a. Cash and balance with RBI
 - b. Balances with Banks
 - c. Investments
 - d. Equity shares only
2. Provision for unsecured doubtful assets is _____%.
 - a. 100
 - b. 150
 - c. 10
 - d. 200
3. Reserve for unexpired risk should be created at _____ in case of Marine insurance policy.
 - a. 50% of net premium
 - b. 50% of net claims
 - c. 100% of net premium
 - d. 100% of net claims
4. AS-3 is for _____.
 - a. Valuation of inventory
 - b. Disclosure of accounting policies
 - c. Cash Flow statement
 - d. Borrowing cost
5. Wages and Salaries is showing under _____ schedule in companies final Accounts
 - a. Other expenses
 - b. Cost of Material Consumed
 - c. Finance Cost
 - d. Employees benefit Expenses
6. Buying and selling of Furniture is a _____ activity.
 - a. Financing
 - b. Administrative
 - c. Operating
 - d. Investing
7. Full form of ICAI is Institute of _____ Accountants of India
 - a. Current
 - b. Compulsory
 - c. Chartered
 - d. Corporate
8. IFRS 1 is _____ for users.
 - a. Transparent
 - b. Complex
 - c. Confusing
 - d. Ambiguous
9. CSR stands for _____.
 - a) Commercial Social Responsibility
 - b) Corporate Social Responsibility
 - c) Capital Social Responsibility
 - d) Commercial Social Reserve
10. ASB stands for _____.
 - a) Accounting Standards Board
 - b) Acknowledge Standards Board
 - c) Accounting Standards Basket
 - d) Accounting Standing Board

Q.1 A) State whether the following statements are True or False (Any Seven) (7)

1. Banking companies must disclose contingent liabilities in their financial statements.
2. Insurance companies are required to prepare separate Revenue Accounts for each class of business.
3. Cash flow from financing activities includes interest received on investments.
4. Final accounts of a company include the Balance Sheet, Statement of Profit and Loss, and Notes to Accounts.
5. IFRS stands for International Financial Reporting Standards.
6. Cash flow statements are mandatory for all companies under the Companies Act, 2013.
7. Banking companies must maintain a minimum Cash Reserve Ratio (CRR) with SEBI.

8. Reinsurance is a common practice in the insurance industry to spread risk.
9. IFRS 9 deals with revenue recognition
10. IFRS and Ind AS are completely identical in all respects.

Q.2(A) From the following information, prepare Profit and Loss Account in the books of SBI Limited for the year ended 31 March, 2023. (15)

Particulars	Rs.	Particulars	Rs.
Interest on Bank Overdraft	1,50,000	Interest on Recurring Deposit	20,000
Interest on Cash Credit	1,00,000	Interest on other deposits	30,000
Interest on balances with other banks	2,00,000	Locker rent	5,000
Interest on other loans given	1,00,000	Commission and brokerage	10,000
Interest on Fixed Deposit	50,000	Dividend received	10,000
Interest on Saving Deposit	75,000	Salary	25,000
Interest on Current Deposit	25,000	Printing and stationery	10,000
Depreciation	20,000	Discount on bills discounted	70,000
Office expenses	10,000	Rebate on bills discounted	10,000
Profit and Loss Account Credit balance Opening	50,000	Office rent	5,000
Advertisement	10,000	Directors fees	5,000

Additional Information

1. Provision for doubtful debt is Rs. 10000.
2. Provision for taxation is Rs. 15000.
3. Statutory reserve should be 25%.

OR

Q.2.B. Calculate rebate on Bills Discounted as on 31-03-2024 from the following data and show the journal entry to be passed for this purpose. (08)

Date of Bill	Amount Rs.	Period	Rate of Discount
11-01-2024	60,000	3 Months	18%
12-02-2024	80,000	4 Months	18%
08-03-2024	1,10,000	5 Months	12.5%

Q2) C) While closing the books a bank its advances were classified on 31st March 2025 as under: (08)

Particulars	Rs in Lakhs
Standard Assets	1,90,000
Sub- Standard Assets	13,000
Doubtful Assets:	
Up to one Year	4,000
One to three Years	3,000
More than three years	2,000
Loss Assets	500

You are required to calculate the amount of provision to be made by the bank as on 31st March 2025.

Q3) A) From the following balances as on 31st March 2025, prepare Revenue Account for the Marine Business of Jet General Insurance Company. (15)

	Direct Business Rs. '000	Re-insurance Business Rs. '000
a) Premium:		
Received	1380	216
Receivable- On 1/04/2024	57	75
On 31/03/2025	78	77
Paid	-	138
Payable- On 1/04/2024	-	84
On 31/03/2025	-	110
b) Claim		
Paid	705	90
Payable- On 1/04/2024	38	9
On 31/03/2025	45	11
Received	-	39
Receivable- On 1/04/2024	-	9
On 31/03/2025	-	5
c) Commission		
On Direct Business	66	-
On Re-insurance accepted	-	6
On Re-insurance ceded	-	8
d) Other Expenses and Income		
Salary	420	-
Rent and Rates	120	-
Postage	9	-
Stationary	90	-
Dividend and Interest Received	360	-
Legal Expenses	54	-
e) Balance of Fund as on 1/04/2024	1155	-

OR

Q3) B) Krishna General Insurance Co submits the following information for the year ended 31/3/2025

Particulars	Direct Business	Re-Insurance
Premium Received	32,87,500	4,75,000
Premium Paid		2,37,500
Claims Paid during the year	21,25,000	2,50,000
Claims Payable:		
Opening	3,12,500	43,500
Closing	3,59,000	30,000
Claims Received:		1,62,500
Claims Receivable:		
Opening		32,500
Closing		55,000
Commission	75,000	5,500
Commission on Re-Insurance Ceded		7,000

Expenses of Management Rs 1,15,000 includes surveyors' fees of Rs 21,000 and Rs 34,500 toward legal expenses related to claims. The opening Balance in Reserve for Unexpired Risk amounts to Rs 12,25,000. Reserve for unexpired risk is to be maintained @ 40%.

Prepare Revenue account for Krishna General Insurance Co (15)

Q .4 From the following Balance Sheets of **Mitesh Ltd.** and additional information, prepare **Cash Flow Statement:** (15)

Balance Sheets of Mitesh Ltd. for the year ending March 2023 and March 2024

Liabilities	2023	2024	Assets	2023	2024
	Rs.	Rs.		Rs.	Rs.
Equity Share Capital	10,00,000	13,00,000	Fixed Assets	15,00,000	18,00,000
Profit & Loss A/c	4,65,000	6,10,000	Long-term Investments	1,75,000	2,00,000
Debentures	3,00,000	2,50,000	Stock	40,000	50,000
Creditors	80,000	60,000	Debtors	80,000	60,000
Bills Payable	50,000	30,000	Bills Receivable	40,000	45,000
Outstanding Expenses	30,000	10,000	Cash in hand	1,00,000	1,25,000
Tax Provision	50,000	55,000	Preliminary Expenses	40,000	35,000
Total	19,75,000	23,15,000	Total	19,75,000	23,15,000

Additional Information:

1. Depreciation on fixed assets for the year was Rs. 1,00,000.
2. Interim Dividend Paid Rs. 50,000.
3. Tax Paid was Rs. 45,000.

OR

Q.4 (A) The Trial Balance of **Bharat Ltd.** shows the following figures relating to Fixed Assets as on 31-3-2025: (08)

Machinery	Rs 21,00,000
Goodwill (at Cost)	Rs 13,00,000
Furniture	Rs 4,00,000
Depreciation Provision (Opening):	
On Machinery	Rs. 8,90,000
On Furniture	Rs. 2,20,000

Further particulars are available:

- (a) Depreciation to be provided during the year at 10% on the Straight Line Method.
- (b) Sale Proceeds of Old Machinery Rs. 3, 00,000.
- (c) There was an addition to Machinery on 30-6-2024 for Rs. 6, 00,000 and the original cost and depreciation provided on the machine sold were Rs. 8, 00,000 and Rs. 4, 00,000 respectively.

Prepare the schedule of Fixed Assets.

Q.4 (B) From the following balances, you are required to prepare the Balance Sheet as Per Revised Schedule III of the Companies Act. (07)

Particulars	Rs. Lakhs	Particulars	Rs. Lakhs
Equity Share Capital	1,200	Machinery	1,800
Securities Premium	180	Furniture	220
General Reserve	260	Investment	80
Capital Redemption Reserve	200	Stock	600
Profit and Loss A/c	150	Debtors	250
12% Debentures	750	Cash at Bank	750
Sundry Creditors	740		
Other Current Liabilities	220		

Q5) A) Discuss the code of ethics towards different stakeholders. (08)

B) Describe the uses of financial statements. (07)

OR

Q.5) C) Write short notes on: (Any 3) (15)

- 1) Rebate on Bills Discounted
- 2) Reinsurance
- 3) Contingent Liability
- 4) Cash Flow Statement
- 5) Non-Performing Assets
