

(Revised) NOV-2022

Q.P. Code : 51508

[2½ Hours]

[Marks: 75]

Please check whether you have got the right question paper.

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

1. (a) Choose correct alternative and rewrite the statement: (Any Eight)

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1. Current investment are valued on the closing date at _____.

a) Cost	b) Market value
c) Cost or market value whichever is lower	d) Cost or market value whichever is higher.
2. Rebate on bills discounted is shown under _____.

a) Other liabilities and provisions	b) Current Liabilities
c) Contingent liabilities	d) none of the above
3. Premium on Re- insurance ceded is deducted from _____.

a) Premium for direct business	b) Interest
c) Commission	d) Discount
4. Accounting for investment is dealt with by _____.

a) AS9	b) AS13
c) AS 11	d) AS29
5. Following is not an example of a monetary item _____.

a) Cash	b) Payable
c) Receivables	d) Fixed Assets
6. Maximum number of partners in LLP _____.

a) 20	b) 50
c) 100	d) No limit
7. Unclaimed dividend is shown by bank under, _____.

a) Deposits	b) Advances
c) Other liabilities	d) Contingent Liabilities
8. General insurance includes _____.

a) Fire insurance	b) Marine insurance
c) Misc. insurance	d) all a, b, c
9. Liability of partner in LLP _____.

a) Limited	b) Unlimited
c) a & b	d) None of the above
10. The amount of exchange difference is recorded in _____.

a) Foreign exchange fluctuation a/c	b) Profit and loss a/c
c) None of the above	d) General reserve a/c

(b) State whether the following statement are true or false (any seven)

07

1. Certificate of incorporation is issued by the Registrar of firm, under the LLP.
2. A banking company can carry business without license issued by RBI.
3. Interest is always calculated on face value of the securities.
4. AS-11 deals with presentation of cash flow statement.
5. Provision of unexpired risk is shown in the Balance sheet on asset side.
6. Standard assets are those assets which have any risk.
7. The brokerage is payable on face value of investment.
8. The maximum number of members in a LLP cannot exceeds 20.
9. In case of other insurance, provision for unexpired insurance is 60% of Net premium.
10. Foreign currency means Indian currency.

2. Following is the Trial Balance of APNA Bank Ltd. As on 31.3.2017

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PARTICULARS	Debit (₹)	Credit (₹)
Subscribed capital 56,250 Equity share of ₹10/- each fully paid	-	5,62,500
Reserve Fund	-	2,81,250
Loan cash credit and overdraft	2,44,125	
Premises	56,250	
Indian Government Securities	4,50,000	
Current Deposits		1,12,500
Fixed Deposits		1,40,625
Saving Bank Deposits		56,250
Salaries	31,500	
General Expenses	30,375	
Rent and Taxes	3,375	
Directors fees	2,250	
Profit and Loss A/c (1.4.2016)		20,250
Interest and Discount Received		1,40,625
Stock of Stationery	9,000	
Bills purchased and Discounted	51,750	
Interim Dividend Paid	19,125	
Shares of Company	56,250	
Cash in hand with R.B.I	2,13,750	
Money at call and short notice	90,000	
Interest paid	56,250	
TOTAL	13,14,000	13,14,000

Adjustments:

1. Provide rebate on bill discounted ₹1125
2. Provide ₹3375 for doubtful debts
3. Authorized capital was 1,20,000 Equity shares of ₹10 each.
4. Provide ₹9,000 for taxation reserve.

You are required to prepare Profit and Loss Account for the year ended 31.3.2017 and the Balance sheet on that as per the banking companies Regulation Act with schedules

OR

2. DISHA Ltd took Loan of \$ 20,00,000 on 30th September,2008 at 12% p.a from Lender Ltd. 15
Installment of \$10,00,000 is payable every year with interest on 31st December. Account are closed on 31st March, every year Rate of exchange were:

DATE	PERS
31-9-2008	₹49
31-12-2008	₹49
31-3-2009	₹48
31-12-2009	₹51
31-3-2010	₹52

Prepare Ledger Account In the books of DISHA Ltd.

3. Klan Insurances Ltd. Furnished the following information for preparation of Revenue 15
Account for Fire Insurance business for the year ended 31st March:

PARTICULARS	AMOUNT	PARTICULARS	AMOUNT
Claims admitted but not paid	42,376	Profit and Loss Account Appropriation	10,000
Commission paid	50,000	Premium Received less Reinsurance	5,52,000
Commission on Reinsurance ceded Received	12,000	Opening Reserve for unexpired Risks	2,30,000
Share Transfer fee	5,000	Opening additional Reserve	40,000
Expense of Management	78,000	Opening Claims Outstanding	27,000
Bad debts	2,500	Dividend in share capital	18,500
Claims paid	15,000		

The following further information should also be considered:

- Premium outstanding at the end of the year amounted to ₹40,000.
- It is policy of the company to maintain 50% of Premiums towards reserve for unexpired risk.
- Additional reserve at 10% of Net premium to be maintained.

OR

3. Following is the Trial balance of Sonal and Anu. They share profit and losses in the 15
proportion of 3:2. From the following balance and the adjustment, prepare statement of Income and Expenditure for the year ending 31st March, 2015 and the statement of Assets and Liabilities as on that date.

PARTICULARS	Dr. (₹)	Cr.(₹)
Stock on 1.4.2016	90,000	-
Purchases and sales	2,25,000	3,75,000
Drawings		
Sonal	33,000	
Anu	30,000	

Returns	7200	3000
Wages:		
Productive	10,500	
Unproductive	1,800	
Salaries	18,600	
Rent, Rate and Insurance	10,200	
Bad-debts	1200	
Discount	3900	
Machinery	45000	
Building	1,08,600	
Sundry Debtors and Creditors	1,53,000	
Cash	3,000	
Capital		
Sonal		1,05,000
Anu		1,35,000
Bank Overdraft		30,000
Total	7,41,000	7,41,000

Additional Information:

- On 31st March, 2017 the stock was valued at ₹56,000.
- Outstanding productive wages ₹3,000.
- Provide for doubtful debts on debtors at 5%
- Depreciate building by 5% and Machinery by 10%
- Goods worth ₹2,500 were distributed as free samples for which no record has been made in the books.

4. Big Investment hold 1200- 6% Debentures of ₹100 each in Mira Ltd as on 1st April 2012 **15** at a cost of ₹1,40,000. Interest is payable on 30th June and 31st December each year. Other details are as under:

DATE	Details	₹
01-06-2012	400 Debentures are purchased Cum interest at	40,800
01-11-2012	400 Debentures are purchased ex-interest at	38,400
30-11-2012	600 Debentures are sold cum -interest for	64,500
31-12-2012	800 Debentures are sold ex-interest for	77,300

Prepare Investment Account Valuing closing balance on 31-3-2013 at cost or market price Whichever is lower. The Debentures are quoted at par on 31-3-2013.

4. On 1-4-2012 Mr. RAJ had 30,000 equity shares in Infosys Ltd face value of the share was ₹10 each but his purchase price was ₹14 per share. On 1-7-2012, RAJ purchased 6,000 additional equity shares of the same company for a price of ₹16 per share. On 31-7-2012 the directors of the company announced a bonus and rights issue. Bonus was declared at the rate of one equity share for every six shares held .Bonus shares were received on 5-8-2012. **15**

Right issue was as per the following terms:

- Right shares to be issued to the existing holders on 17-8-2012
- Right offered were at the rate of one share for every for three shares held at ₹15 per share. Full amount was payable by 30-9-2012.

3. Existing shareholders may to the extent of their entitlement, either wholly or in part, transfer their rights to outsiders
4. Ajay exercises his option and subscribed for 60% of his entitlement and balance of rights, he sold to vikas for a consideration of 1.50 per share.
5. Dividend for the year ended 31-3-2012 at the rate of 14% was declared by the company and received by Ajay on 22-10-2012.
6. On 1-11-2012 he sold 25000 shares at ₹15 per share.

Prepare Investment Account of equity shares in Vipro Ltd for the year ended 31-3-2008 in the books of Mr. Ajay AS13. The market price of an Equity share was ₹14 as on 30-3-2013.

5. (a) Explain Statutory Reserves Requirement under Banking Companies. 07
(b) Explain the Procedure for formation of Limited Liability Partnership. 08

OR

5. Write a short notes on any three of the following 15
1. Rebate on Bill Discounted.
 2. Reserve for Unexpired Risks
 3. Ex-interest and cum - interest
 4. Right of Designated partner
 5. Foreign Exchange Fluctuation.