

Q.P. Code : 24310

(2½ Hours)

[Total Marks : 75]

- N.B. :
- (1) Attempt all the questions.
 - (2) Figures to the right indicate full marks.
 - (3) Working notes should be part of your answer.
 - (4) Use of simple calculator is allowed.

1. (A) Fill in the Blanks.

- (1) _____ regulates Insurance sector in India.
(IRDA Or RBI)
- (2) The arrangement where one Insurance Company gets insured with the other is called as _____.
(Insurance Or Reinsurance)
- ★ (3) Buying and selling of Machinery is _____.
(Financing Activity Or Investing Activity)
- (4) In Cash Flow Statement Depreciation is _____.
(Deducted from book profits Or Added to book profits)
- ★ (5) _____ ratio shows the number of days taken by the company to collect money from Accounts Receivable.
(Debtors Turnover Or Creditors Turnover)
- (6) Schedule 4 of Banking is _____.
(Deposit Or Borrowings)
- (7) Reserve for unexpired risk for Fire Business is _____.
(100% Or 50%)
- (8) Standard Liquid Ratio is _____.
(1:1 Or 2:1)

Q.P. Code : 24310

2

(B) Match the following :

Column 'A'	Column 'B'
(i) Call in Advance	• Reinsurer
(ii) Dividend paid in between Two AGM	• Schedule - 8
(iii) Dividend approved in AGM	• Schedule - 9
(iv) Reinsurance ceded	• Reinsured
(vi) Reinsurance accepted	• Final Dividend
(vii) Investments	• Interim Dividend
(viii) Advances	• No Dividend

following is the Trial Balance from the books of Custom Bank Ltd. as on 31.03.2015. 15

Particulars	Dr. ₹	Cr. ₹
Director's Fees		
Auditor's Fees	9,900	
Furniture (Cost ₹ 1,00,000) ⌘	2,000	
Interest accrued on Investment ⌘	74,500	23,000
Land and Building (Cost ₹ 6,00,000) ⌘	300	6,00,000
Deposit with RBI	4,10,000	
Cash Credit and Overdraft	8,00,000	
Postage & Telegram	1,40,00,000	
Rent Taxes and Premium	2,300	
Salaries	17,000	
Legal Expenses	52,000	
Cash in hand	3,300	
Deposits with Other Bank	8,32,600	
Investment ⌘	24,10,200	
Printing and Stationery	17,56,200	
Bills Discounted	6,700	
Interest	28,01,000	
Paid up Capital - 1	52,000	20,00,000 ✓
Profit and Loss A/c ⌘		80,600
Current Account		68,25,200
Fixed Deposit		77,91,100
Saving Bank Deposit		51,36,000
Contingency Reserve -		1,00,000
Investment Reserve -		70,000
Branch Adjustment ⌘		73,100
Statutory Reserve ✓		1,30,000
Reserve Fund ✓		4,00,000
Interest and discount -		6,24,000
Total	23,23,000	23,23,000

2,32,30,000 TURN OVER

Additional Information :

- (a) The bank has accepted on behalf of customers bill worth ₹ 4,00,000 for collection. 1 cr
 - (b) Depreciation is to be written off ₹ 23,000 from furniture and from Land & Building is ₹ 40,000.
 - (c) The authorised capital is ₹ 40,00,000. All shares have been subscribed but only half of the face value has been called up.
 - (d) Create Provision for Taxation ₹ 2,20,000.
 - (e) Transfer 20% of Net Profit to Statutory Reserve.
- Prepare Bank Final Account for the year ended 31st March, 2015 in the books of Custom Bank Ltd.

OR

2.

Write Short note on :

- (a) Non-Performing Assets.
- (b) Inter - office adjustments.
- (c) Rebate on Bills discounted.

From the following information of Tata Insurance Company Ltd, you are required to Prepare Revenue A/c for Fire Department for the year ended 31st March, 2015. 15

Particulars	Amount ₹
(1) <u>Claims</u>	
Paid	50,00,000
Payable as on	— 50,00,000
: 1 st April, 2014	8,00,000
: 31 st March, 2015	11,00,000
(2) <u>Premium</u>	
Received	1,04,00,000
Paid on Reinsurance	4,00,000
Recovered on Reinsurance	8,00,000
(3) <u>Commission on</u>	
Direct Business	2,00,000
Reinsurance Ceded	20,000
Reinsurance Accepted	10,000
Management Expenses	21,00,000
Interst and Dividend (Gross)	5,00,000
Legal Expenses regarding claims	3,00,000

Reserve for Unexpired Risk was ₹ 36,00,000 as on 01/04/2014. Provide Reserve 50% of Net Premium as on 31st March, 2015.

OR

Write short note on :

- Reserve for Unexpired Risk.
- Bonus to Policy holders.
- AS-10-Fixed Assets Accounting.

TURN OVER

4. Prepare a schedule of Fixed Assets from the following details as on 31st March, 2015.

Particulars	₹
Goodwill	50,000
Plant & Machinery	2,40,000
Additions to plant	40,000
Motor Car (at cost)	48,000
Furniture (at cost)	33,000
<u>Depreciation :</u>	
On Plant & Machinery	17,000
On Furniture	2,400
On Motor Car	6,000
<u>Provision for Depreciation :</u>	
(Upto 31 st March, 2014)	
On Plant & Machinery	1,00,000
On Furniture	9,000
On Motor Car	18,000

OR

4. Explain the provisions of schedule VI of the companies Act, 1956 as regards to :
- Fixed Assets.
 - Contingent Liability.
 - Reserve & Surplus.

Using the following information complete the Balance Sheet given below :

- (1) Total Debt to Net Worth 1:2
- (2) Total Assets Turnover 2 Times
- (3) Gross Profit 30%
- (4) Average Collection Period 40 days
(Assume one year as of 360 days)
- (5) Inventory Turnover Ratio 3 Times

$$\left(\frac{\text{Cost of Sales}}{\text{Closing Inventory}} \right)$$

- (6) Acid Test Ratio 0.75

Balance Sheet

Liabilities	₹	Assets	₹
Equity Share Capital	2,00,000	Fixed Asset	?
Reserves & Surplus	3,00,000		
Current Liabilities and provisions	?		
		Current Assets :	
		Inventory	?
		Accounts Receivable	?
		Cash in hand and Bank	?
	?		?

OR

5. The Summarised Balance Sheets of PQR Ltd. as at 31st Dec. 2014 and 31st Dec. 2015 are given below :

Balance Sheet as at

Liabilities	31.03.14 ₹	31.03.15 ₹	Assets	31.03.14 ₹	31.03.15 ₹
Share Capital	4,50,000	4,50,000	Fixed Assets	4,00,000	3,20,000
General Reserves	3,00,000	3,10,000	Investments	50,000	60,000
Profit & Loss A/c	56,000	68,000	Stock	2,40,000	2,10,000
Creditors	1,68,000	1,34,000	Debtors	2,10,000	4,55,000
Provision for Tax	75,000	10,000	Bank	1,49,000	1,97,000
Mortgage Loan	-	2,70,000			
Total	10,49,000	12,42,000	Total	10,49,000	12,42,000

Additional Information :

- (1) Investment costing ₹ 8,000 were sold during the year 2015 for ₹ 8,500.
- (2) Provision for tax made during the year was ₹ 9,000.
- (3) During the year, part of Fixed Assets, Costing ₹ 10,000 was sold for ₹ 12,000 and the profit was included in Profit & Loss Account.
- (4) Dividend paid during the year amounted to ₹ 40,000.

You are required to prepare Cash Flow Statement as per AS-3.