

Time: 2 Hrs.

Marks: 60

- Note: 1. All questions are compulsory having internal options.  
 2. Figures to right indicates marks.  
 3. Working should form part of answers.

1 A. Prithvi Coast Ltd. has branch in London . On 31st December, 2017 the trial balance of the branch was given as below:

( 15)

Particulars	Dr £	Cr £
Head office Account	-----	18,000
Sales	-----	1,62,000
Goods from Head office A/c	90,000	
Stock 1st January, 2017	15,000	
Furniture and Fixtures	20,000	
Cash in Hand	2,100	
Cash in Bank	1,900	
Owing for expenses	-----	2,000
Taxes, Insurance etc..	500	
Rent	2,000	
Sundry Debtors	24,500	
Salaries	26,000	
Total	1,82,000	1,82,000

The branch account in head office showed a debit balance of Rs 2,25,000 and Goods sent to branch account a credit balance of Rs 16,15,000. Furniture and Fixtures are acquired on 1-1-2017 @ 1£ = Rs 80 and depreciation @ 5% p.a. is to be provided for current year.

The exchange rates were :

1£ = Rs 78.50 on 1-1-2017, on 31-12-2017 1£ = Rs 81.00 and Average rate 1£ = Rs 79.50. The stock at branch on 31-12-2017 was valued at £ 9000. Prepare Trading and Profit & Loss Account and Balance Sheet of London branch in the books of Prithvi Cost Ltd.

OR

1. Rohit Co-operative Society Ltd. is providing the trial balance of the society as on 31-3-2018 as follows:

( 15)

Particulars	Dr Rs	Cr Rs
Share capital	-----	20,000
Bank loan	-----	70,200
Sahkari sangh share purchased	10,000	
Stationary and printing	2,000	
Bank shares purchased	14,000	
Dead stock	10,000	
Interest on members loan	-----	70,000
Members loan	1,60,000	
Members deposits	-----	1,00,000
Purchase	2,38,000	
Sales	-----	2,60,000
Rent	20,000	
Salaries	20,000	

Travelling expenses	3,600	
Freight	2,400	
Coolie charges	2,000	
Bank Current Account	66,000	
Bank interest	52,000	
Reserves and other funds	-----	80,000
Cash balance	200	
Total	6,00,200	6,00,200

Adjustment:

1. Provide for audit fees due Rs 1200.
2. Outstanding salaries Rs 2000. Closing stock was Rs 70000 on 31-3-2018.
3. Provide depreciation on dead stock at 10%.
4. Provide bad debt for Rs 3000.

You are required to prepare Trading, Profit & Loss Account for year ending 31-3-2018 and Balance Sheet of Rohit Co-operative Society Ltd. as on that date.

2 Prepare Revenue Account in respect of Fire Insurance Business from the following details of General Insurance Company Ltd for the year ended as on 31-3-2018.

(15)

Particulars	Amount Rs.
Reserve for unexpired risk on 1-4-2017 @50%	80,000
Additional reserve	16,000
Outstanding claim On 1-4-2017	15,000
On 31-3-2018	20,000
Claim paid	1,80,000
Legal expenses	5,000
Reinsurance recoveries	15,000
Medical expenses	2,500
Bad debts	2,000
Premium recovered	2,40,000
Premium on reinsurance accepted	16,000
Ceded	21,000
Commission Direct business	22,500
Accepted on reinsurance	1,000
Ceded on reinsurance	1,500
Expenses of Management	20,000
Interest Dividend and Rent	12,000
Profit on sale of investment	2,000

Create Reserves on 31-3-2018 to the same extent as on 31-3-2017.

OR



2. From the following balances as on 31-3-2018 find out 1.Net Premium 2. Claim incurred 3. Commission paid 4. Operating profit

(15)

Particulars	Direct business	Reinsurance
1. Premium:		
Received	92,00,000	14,40,000
Receivable- 1st April	3,72,000	54,000
-31st March	5,42,000	51,000
Paid	-----	9,20,000
Payable- 1st April	-----	56,250
-31st March	-----	93,000
2. Claims:		
Paid	47,00,000	6,00,000
Payable-1st April	2,50,000	57,000
- 31st March	3,12,000	66,000
Received	-----	2,55,000
Receivable-1st April	-----	24,000
-31st March	-----	34,500
Commission:		
On insurance Accepted	4,40,000	38,000
On reinsurance ceded	-----	39,000

Salaries 640000, Rent 58000 & Legal expenses Rs 32000.

3. On 31st March 2018 the following balance stood in the books of Virat Bank Ltd. preparing Profit and Loss Accounts.

(15)

Particulars	Rs in ' 000	Particulars	Rs in '000
Share capital	35,000	Fixed Deposit Accounts	66,500
Reserve Fund	24,500	Saving Bank accounts	2,10,000
Current account (Cr)	5,60,000	Money at Call and Short Notice	21,000
Investments	2,10,000	Profit and Loss Account (credit as on 1-4-2017)	14,700
Dividend paid	3,500	Land and Building	74,450
Cash in Hand	4,200	Cash with RBI	1,05,000
Cash with other banks	91,000	Loans Overdraft and cash credit	4,90,000
Borrowing from other banks	44,000	Bills discounted and purchased	42,000
Sundry creditors	2,100	Bills payable	56,000
Unclaimed dividends	2,100	Bills for collection	9,800
Acceptances on behalf of customers	14,000	Net profit for 2017-18	16,800

The net profit for the year is after deducting provisions for bad debt Rs 21,00,000, tax provision Rs 70,00,000 and rebate on bills discounted Rs 3,50,000. You are required to prepare Balance sheet as on 31st March 2018.

OR

3 From the following balances prepare Profit and Loss Account of Dhoni Bank Ltd for the year ended 31st March 2018.

(15)

Particulars	Amount Rs	Particulars	Amount Rs
Interest on loan	5,18,000	Interest on Fixed Deposits	5,50,000
Commission received	16,400	Salaries and Allowance	1,08,000
Discount on bills discounted	84,000	Interest on Cash credit	4,46,000

Interest on Current Account (Cr)	4,20,000	Rent and taxes	36,000
Interest on Overdraft	3,08,000	Directors Fees	8,400
Interest on Saving Bank Accounts	1,36,000	Postage and telegram	8,600
Locker Rent	2,000	Sundry charges	3,400

Other information:

1. Rebate on bills discounted Rs 19000 » Bad debts Rs 80000
2. Provision for Tax Rs 300000.

4 A) Fill in the blanks with correct options.

(8)

1. Outstanding Interest is converted as per ----- rate  
A) Closing B) Opening C) None
2. ----- is non monetary item .  
A) Cash B) Inventory C) None
3. The heading Other Assets does not include -----  
A) Interest Accrued B) Gold C) None
4. Rebate on bills discounted is shown in the -----  
A) Liabilities side of Balance sheet B) Assets side of Balance sheet C) None
5. Reserve for unexpired risk in case of Marine insurance company is -----  
A) 50% B) 100% C) None
6. The person whose risk covered is an -----  
A) Insurer B) Insured C) None
7. Insurance industry is classified in to -----  
A) Life insurance B) Life and General Insurance C) None
8. Insurance Business deals with -----  
A) Wealth Management B) Risk Management C) None

4 B) Match the following

(7)

Group A	Group B
1. Co-operative Society	A. Form N
2. Balance sheet of Co-operative Society	B. Education fund
3. Schedule 1	C. Deposits
4. Schedule 3	D. Share capital
5. Insurance Premium	E. Profit policies
6. Bonus	F. Consideration for risk
7. Accident policy	G. 1949
	H. Covers risk in case of accidents
	I. Balance sheet rate
	J. Profit and Loss Accounts

OR

4. Write Short note (Any 3)

(15)

1. Non performing Assets
2. Surrender Value of policy
3. Inter Branch Adjustments
4. Types of foreign branches
5. Life insurance Business

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