

Santosh

M. COM II (B & F)
Sem - III

Paper / Subject Code: 72213 / Group C: Banking & Finance : Accounting of Banking Sector

(2 Hours)

Marks : 60

Q no 1 a) Explain the services offered by Banks

(8)

b) What are the prudential norms for asset classification

(7)

OR

Q no 1 (c) Explain the various phases of growth and development of banking in India.

(8)

(d) What are scheduled and nonscheduled banks? Explain in brief.

(7)

Q no 2 (a) Explain the classification of Assets & Advances in a the banking system

(8)

(b) What is cash management? Explain the steps involved in healthy cash management

(7)

or

(c) What is dividend? Explain the forms and the terms used for dividend and its policies.

(8)

(d) Explain Annuities.

(7)

Q No. 03 A) Prepare the balance sheet of BHATAK bank ltd as at 31 march 2018 from the following particulars

(8)

Particulars	Amount (RS)
Investment 4	600000
Money at call & short notice 7	100000
Authorized capital 1	300000
Acceptances & endorsement for customer	40000
Bills discounted and purchase	80000
Bills payable	100000
Current account 4	280000
Subscribe capital 1	200000

Customer liability for Acceptances & endorsement

40000

Furniture 10

60000

Building 10

300000

Loans

160000

Cash credit 6

60,000

Fix deposit 4

4,80,000

Saving bank deposits 4

2,20,000

Current year profit

80,000

Cash in hand and at bank 6

200000

The reserve fund is equal to the paid up capital. The aforesaid profit is arrived at before making adjustment for unexpired discount of RS 20000 on bills discounted during the current year but not mature up to the accounting date.

And

Q no 3 B) From the following particulars of Rahat bank LTD. prepare profit and loss account for 2017-18

Interest on loan 13

1396000

Interest on fixed deposit 15

146000

Rebate on bills discount - 13

96000

Commission charged on customer 14

18200

Office expense 16

310000

Discount on bills discounted 14

388000

Interest on cash deposit 15

448000

Interest on overdraft 13

256000

Rent & taxes 16

36000

Other expenses 16

3600

Printing and stationary 16

7800

Postal expenses	16	3000
Interest on saving deposit account	15	276000
Director's remuneration	16	8400
Balance of profit and loss account		24000

OR

Q No 3 The following figures are taken from the books of BOSS bank LTD. You are required to prepare the balance sheet as at 31st march, 2018 and profit and loss account for the year ended as on the date

Current accounts	15	3200000
Saving bank accounts		1200000
Fixed and time deposits		380000
Sundry creditors		12000
Bills payable		320000
Bills for collection		56000
Acceptances and endorsements on behalf of customers		80000
Borrowings from bank		280000
Unclaimed dividend		12000
Dividend for 2011		20000
Profits and loss A/c CR as on 1 st April 2010		84000
Reserve fund		140000
Share capital authorized and issued (200,000 shares of RS 20 each RS 10 paid up)		200000
Interest and discount received		300000
Interest accrued and paid		80000

Salaries and allowances	20400
Salary to general manager	9600
Directors' fees	2000
Rebate and rates	8000
General expenses	1200
Stationary and printing	2000
Audit fees	800
Money at call and short notice	120000
Investment at cost	1200000
Premises after depreciation up to 31 st march 2010	
RS 400000)	480000
Cash in hand	24000
Cash with RBI	600000
Cash with other bank	520000
Bill discounted and purchase	240000
Loans overdraft and cash credit	2800000

Additional information

1. Rebate on bills discounted for unexpired term amounted to 20000
2. Create provision for taxation Rs 400000 and for doubtful debt Rs 12000
3. Allow the 10% depreciation on premises on original cost

Q No. 04 A) State whether the following statements are true or false. (Any 7) (7)

1. Basel 1 norms are to be followed by commercial banks for risk management.
2. Shifting of goods from one place to another within a shop is business transaction.
3. An owner's personal transaction are business transactions.
4. Intangible assets have physical identify
5. Owners claims is an internal liability
6. Closing stock does not appear in trial balance.
7. Banking regulation Act 1949 is a legislation that regulates the banking business in India
8. The functions of a commercial bank can be divided into primary and secondary
9. Scheduled banks are banks included in scheduled II of the RBI ACT.
10. Assets of a Bank are classified into 2 categories

Que No. 4 B) Match the following (8)

<u>Column A</u>	<u>Column B</u>
1. Assets are not meant	a. For sale
2. Form for profit & Loss A/c	b. Reward for business
3. Schedule 2	c. Form B
4. Borrowings	d. Schedule 4
5. Assets are usually shown	e. Unexpired cost
6. Schedule 2	f. Contingent liability
7. Schedule 12	g. Reserve and surplus
8. AS - 3	h. 7%
9. Basel - I	i. Cash flow statement
10. TIER I capital	j. Minimum capital requirement

OR

Q no 4 Write short notes on (any three)

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- a) Loans and Advances
 - b) Fixed and floating int. rates
 - c) Cash reserves.
 - d) Sinking fund
 - e) Basel Norms
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