# Bachelor of Commerce (B.Com.) Semester-IV Examination <br> FINANCIAL ACCOUNTING-III <br> <br> Compulsory Paper-1 

 <br> <br> Compulsory Paper-1}

Time : Three Hours]
[Maximum Marks : 80
N.B. :- (1) ALL questions are compulsory.
(2) All questions carry equal marks.

1. (A) Explain the restrictions of a banking company.
(B) From the following balances available from the books of Mahila Bank Ltd. on $31^{\text {st }}$ March, 2017. Prepare Balance Sheet as on that date, with necessary schedules :

## Rs.

Issued and paid up capital
2,50,000
Bills discounted and purchased
1,80,000
Reserves 77,000

Cash credit and overdraft 3,30,000
Unclaimed dividend 1,500
Loan 4,60,000
Current and saving deposits 3,80,000
Fixed deposits 4,05,000
Furniture 4,000
Profit \& Loss A/c (Cr.) (31-3-2017) 22,000
Stationery Stock 1,000
Cash in hand 67,000
Cash in Bank 1,35,000
Branch Adjustment (Dr.) 17,500
Investment 95,000
Loan taken from other Bank $1,20,000$
Bills Payable 34,000
Bills for collection 5,000

OR
(C) Samata Bank Ltd. has an authorised capital of Rs. 20,00,000 in equity shares of Rs. 100 each. Its Trial Balance as on $31^{\text {st }}$ March, 2017 is as follows, prepare Final Account of the Bank :

Trial Balance

| Particulars | Dr. (Rs.) | Cr. (Rs.) |
| :--- | :--- | :--- |

Issued and subscribed capital 10,000 shares
@ Rs. 100 each

| Particulars | Dr. (Rs.) | Cr. (Rs.) |
| :--- | ---: | ---: |
| Premises less depreciation | $4,00,000$ |  |
| Office car less depreciation | $1,00,000$ |  |
| Money at call and short notice | $6,00,000$ |  |
| Bills discounted and purchased | $2,00,000$ |  |
| Furniture less depreciation | 65,000 |  |
| Deposits |  | $47,00,000$ |
| Investment | $25,00,000$ |  |
| Interest and discount |  | $8,00,000$ |
| Reserve fund | $3,66,000$ | $6,00,000$ |
| Cash-in-hand | $32,00,000$ |  |
| Loan and advances |  | $1,50,000$ |
| Profit \& Loss A/c (1-4-2016) |  | 50,000 |
| Pension fund |  | $8,00,000$ |
| Borrowing from other banks |  | 20,000 |
| Rent received |  | 10,000 |
| Unclaimed dividend | 20,000 |  |
| Commission | 20,000 |  |
| Cash with R.B.I. | $2,95,00,000$ |  |
| Interest paid on deposits | 2,000 |  |
| Salaries and other expenses |  |  |
| Interest on Bank Borrowings |  |  |
| Non Banking Assets |  |  |

Adjustments :
(1) Rebate on bills discounted Rs. 4,000.
(2) Provide Rs. 20,000 for doubtful debts.
(3) Create a provision of Rs. 1,00,000 for taxation.
(4) Interest accrued on investment Rs. 23,000.
(5) Proposed dividend $10 \%$.
2. (A) Explain "Reserve for Unexpired Risk" and "Additional Reserve" for Insurance Company. 8
(B) From the following particulars of Swapnil Insurance Co. Ltd. you are required to prepare Fire Revenue A/c for the year ended on $31^{\text {st }}$ March, 2017 :

|  | Rs. |
| :--- | ---: |
| Claims paid | $48,00,000$ |
| Claims outstanding on 1-4-2016 | $4,00,000$ |
| Claims intimated but not accepted on 31-3-2017 | $1,00,000$ |
| Claims accepted but not paid on 31-3-2017 | $6,00,000$ |
| Premium received | $1,60,00,000$ |
| Re-insurance premium paid | $12,00,000$ |
| Re-insurance premium received | $6,00,000$ |
| Commission | $10,00,000$ |
| Commission on reinsurance ceded | $1,00,000$ |
| Management expenses | $20,05,000$ |
| Provision for unexpired risk on 1-4-2016 | $10,00,000$ |
| Provide reserve for unexpired risk as per rule. | 8 |

## OR

(C) From the following balances of New India Insurance Co. Ltd. prepare Profit \& Loss A/c, Profit \& Loss Appropriation A/c for the year ended 31 ${ }^{\text {st }}$ March, 2017 and Balance Sheet as on that date :

Rs.
Share Capital
18,00,000
Profit \& Loss A/c (1-4-2016) $1,50,000$
Sundry Creditors 45,000
Cash in hand and at Bank 3,64,924
Agents Balance (Dr) 40,000
Fire Fund (31-3-2017)
20,71,206
Additional Reserve (31-3-2017) 6,60,000
Profit as per Fire Revenue A/c 22,27,926
Income from Investment 3,06,000
Rent, Rates and Taxes (General) 1,46,608
Audit Fees (General) 72,000

General Reserve
9,00,000
Investment
72,00,000
Premium Outstanding
44,600
Claims Outstanding 2,08,000
Advance Payment of Tax 5,00,000
Adjustments :
(1) Income Tax to be provided at $55 \%$.
(2) Transfer to General Reserve Rs. 4,00,000.
(3) Proposed Dividend 8\%.
3. (A) Explain the various methods of valuation of Goodwill. 8
(B) The Net Profit of a company after provision for taxation for the past five years are Rs. 80,000, Rs. 84,000 , Rs. 90,000 , Rs. 92,000 and 94,000 . The capital employed in the business is Rs. $8,00,000$ on which a reasonable rate of return of $10 \%$ is expected. It is expected that the company will be able to maintain its super profit for the next five years.

Calculate value of goodwill at 3 years purchase of Average Super Profit.

## OR

(C) Ascertain the value of goodwill of AYE Co. Ltd. by capitalisation of Average Profit Method; following information is available from Co's. Balance Sheet as on 31st March, 2017.

| Balance Sheet |  |  |
| :--- | ---: | :--- | ---: |
| as on 31 ${ }^{\text {st }}$ March, 2017 |  |  |$]$

The company commenced operations in the year 2011-12 with an authorised capital of Rs. $1,00,00,000$. The profits earned before providing for taxation have been as -

$$
\begin{aligned}
& 2013-4,88,000 \\
& 2014-5,12,000 \\
& 2015- \\
& 2016-6,24,000 \\
& 2017-6,80,000
\end{aligned}
$$

You may assume that income tax at the rate of $50 \%$ is payable on these profits, the average dividend paid by the company for the last five years is $10 \%$ which is taken as reasonable return expected on the capital invested in the business.
4. (A) State the functions of Liquidator.
(B) From the following information prepare Liquidator's Final Statement of Account. The liquidator, whose remuneration is $2 \%$ on realisation of assets :

|  | Rs. |
| :--- | ---: |
| Cash | 50,000 |
| Machinery | $3,00,000$ |
| Land and Building | $4,00,000$ |
| Stock | 80,000 |
| Liquidation Expenses | 4,000 |
| $5 \%$ Debentures | $1,00,000$ |
| Unsecured Creditors | 80,000 |
| Preference Share Capital | $1,10,000$ |
| Equity Share Holder | $2,00,000$ |
|  | 8 |

OR
(C) XYZ Co. went into liquidation on $31^{\text {st }}$ March, 2017 when the following Balance Sheet was prepared :

## Balance Sheet

| Liabilities | Rs. | Assets | Rs. |
| :--- | ---: | :--- | ---: |
| Authorised Capital |  | Goodwill | $1,00,000$ |
| 60,000 Shares of Rs. 10 each | $\underline{6,00,000}$ | Leasehold Property | 96,000 |
| Subscribed and paid up capital |  | Plant and Machinery | $1,31,000$ |
| 39,000 Shares of Rs. 10 | $3,90,000$ | Stock | $1,13,600$ |
| Sundry Creditors |  | Sundry Debtors | $1,29,640$ |
| Preferential | 48,400 |  | Cash |
| Partly Secured | $1,10,620$ |  | Profit \& Loss A/c |
| Unsecured | $1,99,580$ | $3,58,600$ |  |
| Bank Overdraft |  | 24,000 |  |
|  |  | $7,72,600$ |  |

The liquidator realised the assets as follows :
Leasehold property which was used in the first instance to pay the partly secured
Creditors Prorata
Rs. 70,000
Plant and Machinery 1,02,000
Sundry Debtors 1,17,000
Stock 78,000
The expenses of liquidation amounted to Rs. 2,000 and the liquidator's remuneration was agreed at $2.5 \%$ on the amount realised, including cash and $2 \%$ on the amount paid to the unsecured creditors (including preferential creditors). You are required to prepare the liquidator's final accounts showing the order of distribution.
5. (A) Prepare schedule $13,14,15$ and 16 from the following information :

## Rs.

Interest on loan $\quad 25,000$
Sundry income 10,000
Interest on overdraft 15,000
Interest on fixed deposits $\quad 10,000$
Rent and taxes 5,000
Salaries to staff $\quad 8,000$
Law charges 2,000
Advertisement 3,000
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(B) Prepare Accident Revenue A/c from the following balances of Indra Insurance Co. Ltd. :

|  | Rs. |
| :--- | ---: |
| Reserve for Unexpired Risk (1-1-2016) | $1,00,000$ |
| Claims paid | $2,00,000$ |
| Outstanding claims (1-4-2016) | 10,000 |
| Outstanding claims (31-3-2017) | 15,000 |
| Commission | 12,000 |
| Reserve for Unexpired Risk (31-3-2017) | 50,000 |
| Premium Received | $1,00,000$ |
| Management Expenses | 4,000 |

(C) Compute future maintainable profit from the following :

## Rs.

(1) Profit for the last four years 4,00,000
(2) Director's fees Rs. 5,000 will not be payable in future.
(3) Rent Rs. 10,000 will not be charged in future.
(4) $50 \%$ Income tax on profit.
(D) From the following information calculate liquidator's remuneration :

|  | Rs. |
| :--- | ---: |
| Realisation of Assets | $6,00,000$ |
| Fully Secured Creditors | $1,00,000$ |
| Liquidation Expenses | 10,000 |
| Unsecured Creditors | 80,000 |
| Debenture Holders | 70,000 |
| Liquidator's Remuneration 3\% on Payment of Equity Shareholders |  |
| Equity Share Capital | $3,00,000$ |

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[Maximum Marks : 80
N.B. :- (1) ALL questions are compulsory.
(2) All questions carry equal marks.
(मराठी माध्यम)

1. (अ) अधिकोष प्रमंडळाचे निर्बध (restrictions) स्पष्ट करा. 8
(ब) इंग्रजी माध्यमानुसार. 8
किंवा
(क) इंग्रजी माध्यमानुसार. 16
2. (अ) विमा कंपनी करीता न संपलेल्या धोक्यांकरीता संचिती आणि अतिरीक्त संचिती स्पष्ट करा. 8
(ब) इंग्रजी माध्यमानुसार. 8
किंवा
(क) इंग्रजी माध्यमानुसार. 16
3. (अ) ख्याती च्या मुल्यांकनांचा विविध पद्धती स्पष्ट करा. 8
(ब) इंग्रजी माध्यमानुसार. 8
किंवा
(क) इंग्रजी माध्यमानुसार. 16
4. (अ) निस्तारकाचे कार्य स्पष्ट करा. 8
(ब) इंग्रजी माध्यमानुसार. 8
किंवा
(क) इंग्रजी माध्यमानुसार. 16
5. (अ) इंग्रजी माध्यमानुसार. 4
(ब) इंग्रजी माध्यमानुसार. 4
(क) इंग्रजी माध्यमानुसार. 4
(ड) इंग्रजी माध्यमानुसार. 4

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Time : Three Hours]
[Maximum Marks : 80
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(2) All questions carry equal marks.
(हिन्दी माध्यम)

1. (अ) अधिकोष प्रमंडल के निर्बंध (restrictions) स्पष्ट कीजिये।
(ब) अंग्रेजी माध्यम के अनुसार।
अथवा
(क) अंग्रेजी माध्यम के अनुसार। 16
2. (अ) बीमा प्रमंडल के लिए असमाप्त जोखिम संचय एवं अतिरिक्त संचय स्पष्ट कीजिये। 8
(ब) अंग्रेजी माध्यम के अनुसार। 8
अथवा
(क) अंग्रेजी माध्यम के अनुसार। 16
3. (अ) ख्याति के मूल्यांकन की विभिन्न पद्धतियां स्पष्ट कीजिये। 8
(ब) अंग्रेजी माध्यम के अनुसार। 8
अथवा
(क) अंग्रेजी माध्यम के अनुसार। 16
4. (अ) निस्तारक (Liquidator) के कार्य स्पष्ट कीजिये। 8
(ब) अंग्रेजी माध्यम के अनुसार। 8
अथवा
(क) अंग्रेजी माध्यम के अनुसार। 16
5. (अ) अंग्रेजी माध्यम के अनुसार। 4
(ब) अंग्रेजी माध्यम के अनुसार। 4
(क) अंग्रेजी माध्यम के अनुसार। 4
(ड) अंग्रेजी माध्यम के अनुसार। 4
