

[Time:2.30 Hrs.]

[Marks:75]

Please check whether you have got the right question paper

N.B:

1. All question are compulsory.
2. Figures to the right indicate full marks.
3. Working note should form part of main answer
4. Use of only simple calculators is allowed

Q. 1. A. Prepare Revenue Account of ZEE Fire Insurance Ltd. for the year ended 31st March, 2023 **15**
from the following detail.

Particulars	Amount (in Rs.)
Claims paid	2,00,000
Legal expenses regarding claims	5,000
Claims unpaid on 1st April, 2022	20,000
Claims unpaid on 31st March, 2023	15,000
Premium received	10,00,000
Re-insurance premium paid	50,000
Commission	2,50,000
Management expenses	1,20,000
Provision for unexpired risk on 1st April, 2022	4,20,000

OR

Q. 1. B. Prepare the Fire Insurance Revenue Account as per IRDA regulations for the year ended **15**
31st March, 2023 from the following details.

Particulars	Amount (in Rs.)
Claims paid	19,60,000
Legal expenses regarding claims	40,000
Premiums received	52,00,000
Re-insurance premium paid	4,00,000
Commission	12,00,000
Expenses of Management	8,00,000
Provision against unexpired risk on 1st April, 2022	22,00,000
Claims unpaid on 1st April, 2022	2,00,000
Claims unpaid on 31st March, 2023	3,20,000

Q. 2. A. Raj Ltd. has a branch in New York. Trial Balance of the branch as on 31.3.23

15

Particulars	Dr. (\$)	Cr. (\$)
Head office Account	----	8,500
Sales	----	61,000
Goods from H.O.	44,000	----
Stock on 1st April 2022	8,500	----
Furniture	9,000	----
Cash in box	250	----
Bank Balance	1,250	----
Salaries	2,800	----
Rent	1,200	----
Insurance	150	----
Outstanding expenses	----	800
Sundry Debtors	3,150	----
	70,300	70,300

Additional Information:

1. The Branch Accounts in Head office shown debit Balance Rs. 2,14,500 and goods sent to Branch credit Balance of Rs. 13,12,500.

2. Depreciate furniture @ 10% p.a. Stock at Branch 31st March 2023 was \$ 7,500.

3. Furniture was purchased in 2022 when one \$ = Rs. 20.

Exchange rates were

On 01.04.2022 1 \$ = Rs. 28

On 31.03.2023 1 \$ = Rs. 30

Average rate 1 \$ = Rs. 29

You are required to prepare Branch Trial Balance by converting in Rupees and prepare Branch Trading and Profit and Loss A/c for the year ended 31-3-2023, and Balance sheet as on that date.

OR

Q. 2. B. Seldom Limited have a branch in London. On 31st December 2022 the Trial Balance of Branch was as given below:

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Particulars	Dr. [£]	Cr. [£]
Head office account	----	9,000
Sales	----	81,000
Goods from Head Office A/C	45,000	----
Stock on 1st January 2019	7,500	----
Furniture and Fittings	10,000	----
Cash in hand	1,050	----
Cash at Bank	950	----
Owing for Expenses	----	1,000
Salaries	13,000	----
Taxes and Insurance	250	----
Rent & Rates	1,000	----
Sundry Debtors	12,250	----
	91,000	91,000

Additional Information:

The Branch Account in the head office books showed a debit balance of Rs. 1,12,500 and goods sent to branch account a credit balance Rs. 8,07,500.

Furniture and Fittings are :

Acquired on 1.1.2022 £ 1 = Rs. 15.00 Provide Depreciation @ 10% p.a.

The exchange rates were:

January 1	£ 1 = Rs. 17.50
December	£ 1 = Rs. 18.50
Average	£ 1 = Rs. 18.00

The stock at branch on 31st December 2022 was valued at £ 4,500.

Prepare Trading and Profit and Loss Account and Balance Sheet of Branch for the year ended 31st December 2022.

Q. 3. A. Following is the Trial Balance of Vikas Co-Operative Bank Ltd as on 31st March 2023.

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Particulars	Debit	Credit
Share Capital 56,250 Equity Shares of Rs. 10 each fully paid	----	5,62,500
Reserve Fund	----	2,81,250
Loan, Cash Credit and Overdraft	2,44,125	----
Premises	56,250	----
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 & Rates	3,375	----
Directors Fees	2,250	----
Profit & Loss A/C [1/4/2022]	----	20,250
Interest & 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 RBI	2,13,750	----
Money at call and short Notice	90,000	----
Interest paid	56,250	----
	13,14,000	13,14,000

Adjustments:

1. Provide Rs. 3,375 for Doubtful Debts.

2. Provide rebate on Bills discounted Rs. 1,125 & Provide Rs. 9,000 for Taxation reserve.

You are required to prepare Profit & Loss Account for the year ended 31st March 2023 and the Balance Sheet as on that date.

OR

Q. 3. B. The following Trial Balance of Mahakaal Bank Ltd. as on 31st March, 2023.

15

Particulars	Dr. (Rs. In Lacs)	Cr. (Rs. In Lacs)
Share Capital	----	3,000
General Reserve	----	4,000
Fixed Deposits	----	2,780
Saving Deposits	----	4,200
Current Accounts	----	3,740
Cash in Hand	290	----
Cash with RBI	420	----
Interest and Discount	----	3,000
Commission and Brokerage	----	500
Interest on Fixed Deposits	300	----
Interest on Saving Deposits	200	----
Interest on Other Deposits	100	----
Salaries and Allowance	1,010	----
Rent and Taxes	40	----
Postage and Telephone	90	----
Printing and Stationery	700	----
Audit Fees	40	----
Depreciation	330	----
Investment in Shares	840	----
Loans and Advances	9,500	----
Overdrafts	1,400	----
Bill Discounted and Purchased	1,800	----
Government Bonds	1,600	----
Furniture	400	----
Premises	300	----
Branch Adjustment	1,835	----
Repairs	25	----
	21,220	21,220

Additional Information:

(a) Acceptances on behalf of customers Rs. 800 lacs.

(b) Provide for NPA Rs. 110 lacs.

(c) Rebate on bills discounted is Rs. 270 lacs.

You are required to prepare:

a. Profit and Loss Account for the Year Ended 31st March, 2023 and

b. Schedule of Capital, Reserve & Surplus and Deposit under balance sheet.

Q. 4. A. Choose the most appropriate alternative

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1. Bills purchased and discounted are shown in the Balance Sheet of a bank in the schedule of _____.

- | | |
|------------------------------------|--------------|
| (a) Contingent Liabilities | (b) Advances |
| (c) Other Liabilities & Provisions | (d) Deposits |

2. Excess price paid for the Investment over and above the share in equity or net assets acquired by the holding company is _____.

- | | |
|-----------------------|--------------|
| (a) Capital Reserve | (b) Goodwill |
| (c) Majority Interest | (d) Premium |

3. Profit earned after the date of acquisition of shares is treated as _____.

- | | |
|----------------------------|---------------------|
| (a) Capital Profit | (b) Revenue Profit |
| (c) Extra- Ordinary Profit | (d) Capital Reserve |

4. Share premium is disclosed under _____.

- | | |
|------------------------|-------------------------|
| (a) Fixed Assets | (b) Share Capital |
| (c) Reserves & Surplus | (d) Current Liabilities |

5. The first item under 'Assets' in the balance sheet of a Bank is

- (a) Cash and Bank balance with Reserve Bank of India
- (b) Balances with Banks and money at call and short notice
- (c) Investments
- (d) Advances

6. Surplus on revaluation should be treated as _____.

- | | |
|-----------------------|---------------------|
| (a) Other income | (b) Capital Reserve |
| (c) Statutory Reserve | (d) Revenue Reserve |

7. Tangible Fixed assets of Integral Foreign Operation carried at fair value are translated at

- (a) exchange rate at the date of purchase of asset
- (b) closing exchange rate
- (c) average exchange rate during the year
- (d) exchange rate on date of valuation at fair value

8. Cost of inventories of Integral Foreign Operation is translated at

- (a) closing exchange rate
- (b) average exchange rate during the year
- (c) exchange rates that existed when the cost of inventory was incurred
- (d) opening exchange rate

Q. 4. B. State whether the following statements are true or false.

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1. A banking company can carry business without RBI license.
2. As-11 Deal with Foreign Branch currency.
3. Inter co transaction are to deducted from Debtors and Creditors
4. AS-1 is Disclosure of Accounting policies.
5. Bills for collection are shown in the balance sheet of a Bank under assets
6. Disclosure of accounting policies is as per AS-11.
7. AS 13 classifies the foreign branches accounting.

Q. 5. Short Notes: **Attempt (Any Three out of Five)**

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1. Foreign Branches
2. Annual Report
3. Objectives of Corporate Reporting
4. Disclosure of Accounting Policies.
5. Non-performing Assets
