

[TIME: 2 Hrs. 30 Min.]

[MARKS: 75]

Note : 1) All the questions are compulsory with internal options**2) Each question carry 15 marks****3) Working notes form part of your answer****4) Use of simple calculator is allowed****Q1(A) Fill in the blanks with correct alternatives (Any 8)****(8)**

1. Owned Funds excludes
 - a) Paid up Capital b) Free Reserves c) Securities Premium d) Reserves created by revaluation of Fixed Assets
2. LLP has _____
 - a) Specified period of Life b) Perpetual Succession
 - c) Committed only for venture d) No Perpetual Succession
3. _____ is not part of payment and settlement system
 - a) HDFC b) IDFC c) NBFC d) ICICI
4. Discounted Bills purchased are shown under _____
 - a) Other assets b) Loans c) Other Incomes d) Advances
5. Locker Rent under Banking Company are shown under
 - a) Operating expenses b) Other Incomes c) Deposits d) Other assets
6. Goodwill is Rs 3,20,000 ,Number of years of purchase is 4 years .
Super profit will be
 - a) Rs 80,000 b) Rs 3,19,996 c) Rs 12,80,000 d) Rs 3,20,004
7. Merchant Banking Companies are required to be registered with _____
 - a) RBI b) SBI c) SEBI d) FBI
8. Every Banking Company must submit Profit & Loss A/c and
Balance sheet together with Auditors Report in _____ copies
 - a) 3 b) 4 c) 5 d) 2
9. NBFC are required to accept public deposit for maximum period of
 - a) 36 months b) 48 months c) 60 months d) 120 months
10. LLP has minimum _____
 - a) 7 partners b) 50 partners c) 3 partners d) 2 partners

Q.1 (B) State whether the following statements are True or False (Any 7)**(7)**

1. All nationalized banks are governed by Banking Regulations Act
2. LLP should have minimum two partners whereas maximum is unlimited
3. Sub Broking companies must be registered with RBI
4. Profit and Loss Account has to be prepared as per Form B-PL
5. NBFC is basically a Banking Company
6. Intrinsic Value per share method is also called as Asset Banking Method
7. Goodwill doesn't have realisable value
8. LLP is convenient for professionals
9. Current Account is opened by businessman
10. Out of the 2 designated partner, one should be an Indian Resident.

Q.2A) From the following information prepare profit and loss A/c of Tina Bank Ltd for the year ended 31st March 2023. (15)

Particulars	Amount
Interest on Loan	25,90,000
Bill Discount (Net)	14,60,000
Rebate on Bill Discount	4,90,000
Stationery and Printing	29,000
Postage and Telegram	14,000
Interest on Cash Credit	22,30,000
Interest on Overdraft	15,40,000
Commission	82,000
Interest on Fixed Deposit	27,50,000
Interest on Saving Bank Deposit	6,80,000
Interest on Current Account	4,20,000
Establishment Charges	5,40,000
Director's Fees and Allowance	30,000
Other Expenses	17,000
Rent and Taxes	1,80,000
Audit Fees	12,000

1. Bad debts to be written off amounted to Rs.4,00,000.
2. Provision for taxation at 55% of Net profit.
3. Transfer to statutory reserve to be 25%

OR

Q.2B) From the following details of ABC Bank, you are required to prepare the Profit and Loss Account for the year ended 31 March 2023 and the Balance Sheet as on that date.

Particulars	Debit Rs.	Credit Rs.
Issued and Subscribed Capital (10000 shares of Rs. 100 each)		10,00,000
Money at call and short notice	5,00,000	
Statutory Reserve		5,00,000
Cash in hand	4,50,000	
Deposits		9,25,000
Cash at bank	5,50,000	
Borrowings		2,62,500
Investments	3,25,000	
Secured loans	5,50,000	
Cash credits	2,62,500	
Premises less depreciation	2,12,500	
Furniture less depreciation	37,500	
Rent	1,875	
Interest and Discounts		3,75,000
Commission and brokerage		48,750
Interest paid on deposits	1,12,500	

Salary and allowance paid	50,000	
Interest paid on borrowings	18,750	
Audit fees	2,500	
Directors fees	3,000	
Other assets	25,000	
Depreciation on Banks property	4,875	
Printing and stationery	3,000	
Advertisement	375	
Postage and telegrams	750	
Other expenses	1,125	
TOTAL	31,11,250	31,11,250

Other Information-

1. Provide Rs. 5,000 for doubtful debts.
2. Provide Rs. 10,000 for taxes.
3. Rebate on bills discounted is Rs. 6,250.
4. Transfer 25% of profits to Statutory Reserve.

(15)

Q3A) From the following figures taken from Mata Insurance Co Ltd prepare Revenue Account Marine Department for the year ended 31st March 2023

Particulars	Amt Rs
Reserve for unexpired risk as on 1 st April ,2023	20,40,000
Premium on Direct Business	31,60,000
Claims outstanding as on 1 st April, 2023	5,60,000
Claims paid during the year	17,40,000
Commission paid	10,40,000
Premium on Reinsurance accepted	14,60,000
Premium on Reinsurance Ceded	6,40,000
Commission on Reinsurance ceded	32,000
Claims Outstanding as on 31 st March, 2023	2,80,000
Reinsurance claims recovered	8,60,000
Commission on reinsurance accepted	73,000
Operating expenses	8,60,000

OR

Q.3B) Rohini and Revati are partners sharing profit and losses equally.

(15)

Following is their Trial balance as on 31st March 2023.

Trial Balance as on 31st March ,2023

Particular	Dr. (Rs.)	Cr. (Rs.)
Building	27,500	
Machinery	20,000	
Salary and wages	10,500	
Cash at bank	20,000	
Cash in hand	550	
Motor cycle	10,000	
Office expanses	500	
Rani's capital		58,000

Rita's capital		31,000
Carriage outward	2,500	
Purchases	1,10,000	
Return outward		2,750
Sales		1,40,000
Return inward	1,000	
Bad debts	500	
Debtors	16,400	
Creditors		27,500
Rent	550	
Printing and stationary	750	
Travelling expenses (marketing)	2,750	
Stock (1-4-2022)	15,000	
Insurance	750	
Discount	4,000	
Advertisement (for 3 year)	6,000	
Furniture	10,000	
	2,59,250	2,59,250

Adjustment:

1. The closing stock on 31st March 2023 was valued at cost Rs 20,500 while its market price is Rs 22,500.
2. Goods worth Rs 2,500 were destroyed by fire and Insurance Company agreed to pay Rs 2,000 in full settlement of the claim.
3. Unpaid expenses – Rent Rs 50 and salary Rs 250.
4. Provide depreciation at 10% on machinery and 5% on furniture.
5. Goods worth Rs 4,000 were sold on 27th March, 2023 but no entry was made in the books.

Q4 A) The Balance Sheet of Raj Company as at 31/3/2023 was as follows**(15)**

Liabilities	Rs	Asset	Rs
Share Capital of Rs 100 each	2,00,000	Land & Building	1,10,000
General Reserve	40,000	Plant & Machinery	1,30,000
Profit & Loss Account	32,000	Stock	68,000
Sundry Creditors	1,20,000	Debtors	88,000
Bills Payable	68,000	Bank Balance	64,000
	4,60,000		4,60,000

The expert revalued Land & Building at Rs 2,16,000 .Goodwill at Rs 2,50,000 and Plant & Machinery at Rs 1,15,500.Out of Debtors it was found debtors worth Rs 8,000 was bad. The profit of the company have been as follows: 80,000 ; 95,000 ; 1,05,000 . The company follows the practice of transferring 20% of profit to General Reserve. Similar type of companies earn at 12% of the value of their shares. Ascertain the value of the company's shares as under:

- 1) Intrinsic Value Method
- 2) Yield Value Method
- 3) Fair Value Method

Ignore Taxation and depreciation on revalued asset.

OR

Q4B) Balance Sheet of Lambada Ltd as on 31st March ,2023 was as follows : **(15)**

Liabilities	Amount	Assets	Amount
Equity Shares of Rs 100	15,00,000	Land & Building	3,00,000
Profit & Loss Account	1,55,000	Plant & Machinery	1,82,000
Bank Overdraft	30,000	Stock	4,50,000
Creditors	1,20,000	Sundry Debtors	10,00,000
Proposed Dividend	67,500	Cash	40,000
Provision for Taxation	1,15,000	Bank	15,500
	19,87,500		19,87,500

The Net Profit of the company after providing for tax were as follows :

Year Ended	Profit
31/3/2023	1,75,000
31/3/2022	1,50,000
31/3/2021	1,97,500
31/3/2020	1,50,000
31/3/2019	1,65,000

On 31st March 2023, Land & Building was revalued at 4,50,000 and Plant & Machinery was revalued at Rs 2,22,000. Normal Rate of Return can be considered at 8% .Goodwill is to be valued at 3 years purchase of super profits based on average profit of last 5 years.

Find the intrinsic value of equity shares.

Q.5 A) Explain factors affecting valuation of Shares **(8)**

Q.5 B) Explain distinguish between Banks and NBFC's **(7)**

OR

Q.5 Write Short Notes (Any Three out of Five) **(15)**

1. Designated Partner
2. Non Performing Assets of Bank
3. Unexpired Risk Reserve in Insurance
4. Distinguish Between LLP and Partnership Firm
5. Types of NBFC