

Duration: 2½ hrs.

75 Marks

Note: 1. Question No. 1 is Compulsory.

2. Question No. 2,3, 4 and 5 have internal options.

3. Each question carries 15 marks.

**Q.1.A. Fill in the blanks with correct alternatives (Any 8)****(8)**

1. Interest accrued is shown in the final accounts of a Bank in \_\_\_\_\_.  
a. Schedule 3      b. Schedule 4      c. Schedule 5      d. Schedule 6
2. Reserve for Unexpired Risk is shown in the balance sheet of a General Insurance Company under \_\_\_\_\_.  
a. Loans      b. Capital  
c. Misc Expenditure not written off      d. Provisions
3. \_\_\_\_\_ is the percent ceiling limit of interest rate that NBFC can offer.  
a. 9 %      b. 12%      c. 12.5%      d. 14.5%
4. \_\_\_\_\_ means an extra amount over and above the saleable values of the identifiable assets that could be fetched by selling an existing firm as a going concern.  
a. Goodwill      b. Super Profit      c. Revaluation Surplus      d. Bonus
5. The liability of partners in LLP is limited to the extent of their \_\_\_\_\_.  
a. Contribution to the firm      b. Investments      c. Involvement      d. Ownerships
6. Letter of Credit are shown by a bank under \_\_\_\_\_.  
a. Deposits      b. Advances      c. Other Liabilities      d. Contingent Liabilities
7. Every insurance company in India is required to close its accounts every year on  
a. 31st December      b. 30th September      c. 30th June      d. 31st March
8. Venture Capital Fund Companies are regulated by \_\_\_\_\_.  
a. RBI      b. SEBI      c. IRDA      d. All the above
9. \_\_\_\_\_ is a rate of return normally expected by the shareholders on their investments.  
a. Super Profit      b. Normal Rate of Return      c. Dividends      d. Bonus Dividend
10. If any partner desires to resign from the partnership he shall inform the same by giving \_\_\_\_\_ days notice to other partners.  
a. 15      b. 30      c. 14      d. 28

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

1. RBI requires Banks to maintain minimum capital risk adequacy ratio of 9%.
2. Sub broking companies must be registered with RBI.
3. The most important element in valuation of goodwill is Future Maintainable Profit.
4. Agents' Balances is shown under current liabilities in the balance sheet of an Insurance Company.
5. Every partner of a Limited Liability Partnership is the agent of the Limited Liability Partnership.
6. Tier I Capital is increased by intangible assets.
7. Mortgage Guarantee Companies have been notified as Non-Banking Financial Companies.
8. Precise Value of goodwill is known only by average profit method.
9. In case of fire insurance, the provision required to make against unexpired risk is 100%.
10. Foreign Nationals cannot be a partner in LLP.

**Q.2.A** From the following information, prepare the Balance Sheet of Akshay Bank Ltd. for the year ended on 31<sup>st</sup> March, 2024. (15)

Particulars	Dr (Rs)	Particulars	Cr (Rs)
Investment in Government Securities	18,750	Statutory Reserve	40,000
Shares and Debentures	8,880	Bills Payable	10,000
Gold	7,450	Net Profit for the year	20,500
Silver	5,000	Profit and Loss Account	40,000
Cash in Hand	2,000	Fixed Deposit Accounts	18,000
Cash with RBI	3,000	Saving Deposits Accounts	15,000
Cash with Oher Bank	4,000	Current Account	4,000
Money at Call	4,700	Borrowings from Banks	3,500
Fixed Assets	75,000	Share Capital	1,10,000
Fixed Assets acquired in satisfaction of Claim	80,000	Unclaimed Dividend	7,720
Bills Purchased Discounted	50,000	Inter-Office Adjustment (Net)	4,440
Cash Credit	20,000	Reserve for Doubtful Debts	2,280
		Unexpired Discount	3,340
	<b>2,78,780</b>		<b>2,78,780</b>

**Additional Information:**

1. Authorized Capital is Rs 2,00,000
2. Bills for Collection Rs 1,75,000
3. Liability for partly paid Investment Rs 40,000
4. Guarantees given on behalf of constituents Rs 48,000

**OR**

**Q.2 B.** From the following particulars, you are required to prepare the Profit & Loss Account of the Dhanlaxmi Bank Ltd. as on 31<sup>st</sup> March, 2024 in the prescribed form. (15)

Particulars	Rs
Commission	22,250
Exchange and Brokerage	27,000
Salaries and Allowances	3,500
Audit Fees	2,000
Interest on Temporary Overdrafts	50,000
Discount on Bills (Gross)	20,000
Interest on Loans	34,500
Interest on Fixed Deposits	15,000
Interest on Saving Bank Deposits	17,000
Postage, Telegrams, and Stamps	1,500
Printing and Stationery	1,800
Sundry Expenses	700
Rent	1,200
Taxes and Licenses	500
Interest on Cash Credits	20,500

The following further information is given:

- (1) Rebate on Bill Discounted Rs 15,000
- (2) Provision for Income Tax is to be made for Rs 25,000
- (3) Provision for Bad Debts Rs 18,000

- (4) Transfer to Statutory Reserve to be @ 25%.  
 (5) The Opening Balance of Profit and Loss is Rs 35,520

**Q.3 A)** From the following information of M/s. Surakshit Insurance co. Ltd, engaged in fire insurance business. Prepare a Revenue account reserving 40% of the net premium for unexpired risk and an additional reserve of Rs.3,50,000. **(15)**

Particulars	Amount
Reserve for unexpired risk (Opening)	7,50,000
Additional Reserve (Opening)	1,50,000
Premium Received	16,80,000
Re-Insurance Premiums (Dr)	1,12,500
Re-Insurance Recoveries	30,000
Claim Paid	9,60,000
Estimated Liability in respect of outstanding claim:	
On 1 <sup>st</sup> April, 2023	97,500
On 31 <sup>st</sup> March, 2024	1,35,000
Expenses of management (Include Rs.45,000 in connection with claims)	4,20,000
Interest and Dividend	75,000
Profit and Sale of Investment	15,000
Commission	1,75,000

**OR**

**Q.3 B)** Given below is the Trial balance of M/s. Aster LLP 31<sup>st</sup> March, 2024. They divide profit and losses equally. From the following Trial balance and adjustment, you are required to prepare a Statement of Income and Expenditure for the year ended 31<sup>st</sup> March, 2024 and a statement of Asset and Liability as on that date: **(15)**

Particulars	Amount	Particulars	Amount
Carriage Inward	2,000	<b>Capital:</b>	
Opening Stock	30,760	Suman	60,000
Salary	4,000	Shruti	40,000
Wages	1,000	Commission	4,000
Discount	500	Interest Received	4,200
Interest Paid	750	Sales	92,000
Motive Power	4,500	Purchase Return	3,800
Motor Van	28,000	Sundry Creditors	27,400
Bad Debts	1,920	Outstanding Salary	400
Building	34,000		
Debtors	20,000		
Cash at Bank	16,120		
Machinery	10,000		
Investment	12,000		
Purchases	60,250		
<b>Drawings:</b>			
Suman	2,800		
Shruti	3,200		
	<b>2,31,800</b>		<b>2,31,800</b>

**Adjustment;-**

1. Outstanding Wages Rs.400
2. Provide depreciation at 10% p.a on Building and Motor Van
3. Accrued Interest on investment Rs.360
4. Provide 5% R.D.D on Debtors.
5. Stock at 31<sup>st</sup> March 2024 was Market Value Rs.40,000; Cost Price Rs.50,000

**Q.4 A)** The Balance Sheet of Erica Ltd as on 31<sup>st</sup> March, 2024 is as follows : **(15)**

LIABILITIES	AMT	ASSETS	AMT
Equity Shares of Rs. 10 each	10,00,000	Building	10,00,000
10 % Pref shares of Rs. 100 each	2,00,000	Machinery	6,00,000
General Reserve	2,00,000	Stock	1,20,000
Profit and Loss A/c	1,00,000	Debtors	1,00,000
Creditors	2,20,000	Bank Balance	1,00,000
Outstanding Expenses	80,000		
Bank Loan	1,20,000		
	<b>19,20,000</b>		<b>19,20,000</b>

The profits of the company after charging depreciation but before income tax @ 40 % were as follows :

For last five years. 2020 – Rs. 2,00,000, 2021 – 2,80,000, 2022 – 3,20,000, 2023 – 3,40,000, 2024 – 3,60,000. Reasonable Return on Equity Funds in this line of business is considered to be 8 % . Building is revalued at Rs. 12,00,000 and machinery is revalued at Rs. 5,00,000.

Find out the value of goodwill on the basis of four years purchase of annual super profits.

**OR**

**Q.4 B).** Following is the Balance Sheet of Boomer Ltd as on 31<sup>st</sup> March, 2024. **(15)**

LIABILITIES	AMT	ASSETS	AMT
Equity shares of Rs. 10 each	18,00,000	Plant and Machinery	7,20,000
Reserve Fund	2,00,000	Motor Vehicles	2,00,000
Capital Reserve	1,00,000	Equipment	1,00,000
General Reserve	4,18,200	Stock	18,60,000
Profit and Loss A/c	4,71,000	Debtors	6,18,000
Sundry Creditors	12,00,000	Bills Receivable	3,12,200
Provision for Taxation	5,94,000	Cash at Bank	10,00,000
Outstanding Expense	27,000		
	<b>48,10,200</b>		<b>48,10,200</b>

1. The company transfers 10 % of the profits (after tax) to General Reserve
2. The Net Profits before tax for the last 3 years have been as follows :
 

31 <sup>st</sup> March, 2022 -	8,16,000
31 <sup>st</sup> March, 2023 -	10,98,000
31 <sup>st</sup> March, 2024 -	11,82,000
3. Machinery is valued at Rs. 10,00,000. Average Dividend in this type of business is 20 % . The rate of tax is 50 %
4. Calculate the value of equity shares on the basis of :
  - a) Intrinsic Value
  - b) Yield Value
  - c) Fair Value

**Q.5.A.** State the difference between a Banking Company and a Non-Banking Company. **(08)**

**Q.5.B.** Explain different types of valuation of shares. **(07)**

**OR**

**Q.5. Write Short Notes (any 3)**

**(15)**

1. LLP Agreement
2. Re-insurance
3. Functions of Banks
4. Non-Banking Financial Company
5. Types of Goodwill

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