

**Bachelor of Commerce (B.Com.) Semester—IV Examination**  
**FINANCIAL ACCOUNTING—III**  
**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 various functions of Bank. 8
- (b) From the following information, prepare Profit & Loss A/c of XYZ Bank Ltd. for the year ended 31<sup>st</sup> March, 2018 :

	<b>Rs.</b>
Interest on loans	25,90,000
Interest on fixed deposit	31,70,000
Commission	82,000
Payment to employees	5,40,000
Discount on bills discounted	10,60,000
Interest on cash credit	22,30,000
Rent, taxes and lighting	1,80,000
Interest on overdrafts	15,40,000
Audit fees and expenses	12,000
Director fees, allowance and expenses	30,000
Interest on saving bank deposit	6,80,000
Postage, telegram and telephones	14,000
Printing and stationery	29,000
Sundry charges	17,000

**Additional Information :**

(i) Transfer to contingencies	2,00,000
(ii) Transfer to reserve	15,57,000
(iii) Transfer to Central Government	2,00,000

8

**OR**

- (c) Narayan Bank Ltd. has an authorised capital of Rs. 10,00,000 divided in equity shares of Rs. 100 each. Its trial balance on 31<sup>st</sup> March 2018 was as follows :

Particulars	Dr. (Rs.)	Cr. (Rs.)
Issued and subscribed capital 5,000 shares @ 100 each		5,00,000
Premises less depreciation	2,00,000	
Office car less depreciation	50,000	
Money at call and short notice	3,00,000	
Bills discounted and purchased	1,00,000	
Furniture less depreciation	32,500	
Deposits	—	23,50,000
Investment	12,50,000	
Interest and discount	—	4,00,000
Reserve fund	—	3,00,000
Cash in hand	1,83,000	—
Loans and advances	16,00,000	—
Profit & Loss A/c	—	75,000
Pension fund	—	25,000
Borrowing from other bank	—	4,00,000
Rent received	—	10,000
Unclaimed dividend	—	5,000
Commission	—	90,000
Cash with R.B.I.	1,47,500	
Interest paid on deposit	1,45,000	
Salary and operating expenses	1,17,000	
Interest on bank borrowing	10,000	
Non-Banking Assets	20,000	
	41,55,000	41,55,000

The following information should also be considered :

- (i) Rebate on bills discounted Rs. 2,000
- (ii) Provide for doubtful debt Rs. 10,000
- (iii) Create for provision for taxation Rs. 50,000
- (iv) Director proposed dividend @ 10%
- (v) Interest accrued on investment was Rs. 11,500
- (vi) Provide statutory reserve 25%.

Prepare Profit & Loss A/c for the year ended on 31<sup>st</sup> March 2018 and Balance Sheet as on that date.

16

2. (a) Write short notes on the following :

- (i) Claims;
- (ii) Reserve for unexpired risk.

8

- (b) The following balances are extracted from account books of General Fire Insurance Co. Ltd. as on 31<sup>st</sup> March 2018. Prepare Revenue A/c for the year ended on that date :

	<b>Rs.</b>
Claims paid during the year	1,52,926
Re-insurance recovery	2,926
Commission on re-insurance accepted	11,800
Commission on direct business	95,200
Premium on direct business	7,48,540
Premium paid on re-insurance	1,20,738
Premium received on re-insurance	95,368
Commission on re-insurance ceded	21,208
Claims accepted but not paid 31-3-17	2,572
Claims accepted during the year but not paid	10,318
Claims intimated during the year but not accepted	1,200
Management expenses	3,64,156
Bad debts	1,550
Loss on sale of motor car	2,218
Bonus in reduction of premium	10,000
Reserve for unexpired risk 31-3-17	3,96,528
Additional reserve for unexpired risk 31-3-17	66,620
Interest and dividend less tax	90,000

**Additional Information :**

- (i) Provide reserve for unexpired risk 50%  
(ii) Provide for additional reserve 10%.

8

**OR**

- (c) From the following particulars related to Raj Insurance Co. Ltd. as at date 31<sup>st</sup> March 2018. Prepare final accounts :

<b>Particulars</b>	<b>Rs.</b>
Premiums :	
Fire	3,00,000
Marine	36,00,000
Miscellaneous	9,00,000
Claims paid and outstanding :	
Fire	1,50,000
Marine	15,00,000
Miscellaneous	3,00,000
Commission :	
Fire	25,000
Marine	3,50,000
Miscellaneous	90,000
Expenses of Management :	
Fire	30,000
Marine	8,00,000
Miscellaneous	4,00,000
Funds on 1.4.2017 :	
Fire	1,00,000
Marine	28,00,000
Miscellaneous	7,50,000
Investment	40,25,000
Cash	9,37,000
Agent Balance (Dr.)	13,87,000

Particulars	Rs.
Investment Fluctuation Fund	2,00,000
General Reserve	4,00,000
Properties	15,00,000
Due to other insurer	73,000
Profit & Loss A/c (1.4.2017)	23,000
Sundry Assets	6,21,000
Sundry Liabilities	3,84,000
Interest, Dividends and Rents	3,25,000
Sundry Expenses	2,40,000
Paid up share capital	25,00,000

**Additional Information :**

- (i) The reserve for unexpired risk is to be calculated at 50% of premium income in fire and miscellaneous and at 100% premium income in marine.
- (ii) Director proposed to declare a dividend at 6% on paid up capital and transfer Rs. 20,000 to general reserve. 16

3. (a) Explain various methods of calculation of goodwill. 8
- (b) Given below is the Balance Sheet of X Co. Ltd. as at 31<sup>st</sup> March, 2017 :

Liabilities	Rs.	Assets	Rs.
Share Capital 10,000 Equity		Goodwill	15,000
Shares of Rs. 10 each	1,00,000	Land & Buildings	40,000
General Reserve	45,000	Plant & Machinery	50,000
Profit & Loss A/c	30,000	Investments	60,000
8% Debentures	50,000	Stock	50,000
Creditors	30,000	Debtors	70,000
Provision for Taxation	20,000	Less : Provision	<u>10,000</u>
Depreciation Fund (Plant & Machinery)	25,000	Cash at Bank	20,000
		Preliminary Exp.	5,000
	<u>3,00,000</u>		<u>3,00,000</u>

Profit for the year includes Rs. 3,000 income from investments. Land and Buildings are worth Rs. 1,20,000, Plant and Machinery worth Rs. 20,000 and Stock worth Rs. 30,000.

Compute the value of goodwill on the basis of 3 years purchase of super profit.

Normal return on capital employed in this type of business is 10%. Compute goodwill.

8

**OR**

- (c) Seema and Meena are the partners in the firm. Their Balance Sheet as on 31<sup>st</sup> March 2017 was as under :

<b>Liabilities</b>	<b>Rs.</b>	<b>Assets</b>	<b>Rs.</b>
Capital :		Land & Building	5,00,000
Seema	5,00,000	Machinery	4,00,000
Meena	3,00,000	Furniture	1,00,000
Creditors	3,00,000	Stock	1,70,000
Bills Payable	1,00,000	Cash	30,000
	<u>12,00,000</u>		<u>12,00,000</u>

The profit for five years ending at March 2017 was Rs. 1,50,000, Rs. 1,80,000, Rs. 2,70,000, Rs. 2,70,000 and Rs. 3,30,000. Under the revaluation Land and Building was appreciated by Rs. 1,50,000 and Machinery Rs. 80,000, Furniture depreciated by Rs. 20,000, Stock was under-valued by Rs. 30,000 to be rightly valued. Firm business is supervised by Seema and Meena by they had not charged their remuneration so far.

Average rate of profit is 10%.

Assume that they have charged remuneration Rs. 30,000 and Rs. 20,000 per annum respectively.

Determine the value of goodwill :

(i) By Super Profit Capitalisation Method and

(ii) Average Profit Capitalisation Method. 16

4. (a) Explain various kinds of liquidations and rights of liquidator. 8

(b) The Ashok Co. Ltd. went into voluntary liquidation on 31 March, 2018 when statement of affairs was as below :

Unsecured creditors was Rs. 4,00,000 including 50,000 preferential claim. Secured Creditors, secured on Plant & Machinery stood as Rs. 2,00,000, Cash in hand was Rs. 10,000. The liquidator realised Plant & Machinery for Rs. 1,50,000 and other assets realised Rs. 1,00,000. The liquidation expenses came to Rs. 10,000 and the liquidator remuneration was fixed at 4% of the amount realised including cash balance and 2% of the amount distributed to unsecured creditors including preferential creditors. Prepare liquidators final statement of account. 8

**OR**

(c) The following is the Balance Sheet of Butterflow Co. Ltd. as on 31<sup>st</sup> March, 2018 :

<b>Liabilities</b>	<b>Rs.</b>	<b>Assets</b>	<b>Rs.</b>
Share Capital :		Land & Building	8,00,000
16000, 6% preferential shares of Rs. 100 each	16,00,000	Plant & Machinery	20,00,000
8000 Equity Shares of Rs. 100 each, Rs. 75 per share paid	6,00,000	Patents	3,20,000
24000 Equity Shares of Rs. 100 each, Rs. 60 per share paid	14,40,000	Stocks	4,40,000
5% Debentures (having a floating charge on all assets)	8,00,000	Sundry Debtors	8,80,000
Interest outstanding on debenture	40,000	Cash at Bank	2,40,000
Creditors	11,60,000	Profit & Loss A/c	9,60,000
Bank Overdraft	2,45,000	Office Equipments & Furniture	2,00,000
	58,85,000	Cash in Hand	45,000
			58,85,000

On that date the company went into liquidation. The dividends on preference shares were in arrears for two year. The creditors include a loan of Rs. 4,00,000 on Mortgage of Land & Building. The assets realised as under :

Land & Building	Rs. 9,60,000
Plant & Machinery	Rs. 16,00,000
Patents	Rs. 2,40,000
Stock	Rs. 4,80,000
Sundry Debtors	Rs. 6,40,000
Office Equipments & Furniture	Rs. 1,60,000

The expenses of liquidation amounted to Rs. 43,900. The liquidator is entitled to a commission of 3% on all assets realised (except cash) and a commission of 2% on amount distributed among unsecured creditors (except preferential creditors). Preferential creditors amount to Rs. 1,20,000 include in creditors.

Prepare Liquidator's Final Statement of Accounts.

16

5. (a) From the following information prepare Profit & Loss A/c of Aarohi Bank as on 31<sup>st</sup> March 2018 :

Transfer to statutory reserve	2,38,000
Interest earned	2,42,000
Interest paid	27,000
Operating expenses	96,000
Profit for last year	15,000

Provision statutory reserve as per Banking Co. Act. 4

- (b) Prepare Marine Revenue A/c of Arjun Co. Ltd. as on 31<sup>st</sup> March 2018 with the help of the following information :

Claims paid and outstanding	15,00,000	
Reserve for unexpired risk (1.4.17)	28,00,000	
Premium	36,00,000	
Commission on direct business	3,50,000	
Expenses of management	8,00,000	4

- (c) The following particulars are available in respect of business carried by Shri Vinayak :

- (i) Capital employed Rs. 5,00,000
- (ii) Average trading profit Rs. 1,15,000
- (iii) Market rate of return on investment 16%
- (iv) Rate of risk on capital invested in business 2%.

You are required to compute value of goodwill on the basis of 4 years purchase of super profit. 4

- (d) From the following particulars, calculate liquidator remuneration :

	<b>Rs.</b>
Assets realised	4,03,000
Liquidation expenses	1,600
Debentureholders	63,000
Preferential creditors	5,000
Unsecured creditors	98,000
Equity shareholders	2,00,000
Preference shareholders (with dividend)	1,32,000

The liquidators remuneration was 2% on amount realised and 2% on amount distributed to equity shareholders. 4

## Bachelor of Commerce (B.Com.) Semester—IV Examination

## FINANCIAL ACCOUNTING—III

## Compulsory Paper—1

Time : Three Hours]

[Maximum Marks : 80

**N.B. :—** (1) **ALL** questions are compulsory.

(2) All questions carry equal marks.

(मराठी माध्यम)

- |                                                                        |    |
|------------------------------------------------------------------------|----|
| 1. (अ) अधिकोषणाचे विविध कार्य स्पष्ट करा.                              | 8  |
| (ब) इंग्रजी माध्यमानुसार.                                              | 8  |
| किंवा                                                                  |    |
| (क) इंग्रजी माध्यमानुसार.                                              | 16 |
| 2. (अ) खालीलवर संक्षिप्त टिपणे लिहा :                                  |    |
| (i) दावे                                                               |    |
| (ii) न संपलेल्या जोखमीसाठी संचिती.                                     | 8  |
| (ब) इंग्रजी माध्यमानुसार.                                              | 8  |
| किंवा                                                                  |    |
| (क) इंग्रजी माध्यमानुसार.                                              | 16 |
| 3. (अ) ख्याती मुल्यांकनाच्या विविध पद्धती स्पष्ट करा.                  | 8  |
| (ब) इंग्रजी माध्यमानुसार.                                              | 8  |
| किंवा                                                                  |    |
| (क) इंग्रजी माध्यमानुसार.                                              | 16 |
| 4. (अ) निस्तारणाच्या विविध पद्धती, तसेच निस्तारकाचे अधिकार 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  |



**Bachelor of Commerce (B.Com.) Semester—IV Examination**

**FINANCIAL ACCOUNTING—III**

**Compulsory Paper—1**

Time : Three Hours]

[Maximum Marks : 80

**N.B. :—** (1) **ALL** questions are compulsory.

(2) All questions carry equal marks.

**(हिन्दी माध्यम)**

- |                                                                                  |    |
|----------------------------------------------------------------------------------|----|
| 1. (अ) बैंक के विभिन्न कार्य विशद कीजिये।                                        | 8  |
| (ब) अंग्रेजी माध्यम के अनुसार।                                                   | 8  |
| <b>अथवा</b>                                                                      |    |
| (क) अंग्रेजी माध्यम के अनुसार।                                                   | 16 |
| 2. (अ) निम्न पर संक्षेप में टिप्पणी लिखिये :                                     |    |
| (i) दावा                                                                         |    |
| (ii) असमाप्त जोखीम के लिये संचय।                                                 | 8  |
| (ब) अंग्रेजी माध्यम के अनुसार।                                                   | 8  |
| <b>अथवा</b>                                                                      |    |
| (क) अंग्रेजी माध्यम के अनुसार।                                                   | 16 |
| 3. (अ) ख्याती मूल्यांकन की विभिन्न पद्धतियां स्पष्ट कीजिये।                      | 8  |
| (ब) अंग्रेजी माध्यम के अनुसार।                                                   | 8  |
| <b>अथवा</b>                                                                      |    |
| (क) अंग्रेजी माध्यम के अनुसार।                                                   | 16 |
| 4. (अ) कंपनी समापन की विभिन्न पद्धतियां तथा निस्तारक के अधिकार को स्पष्ट कीजिये। | 8  |
| (ब) अंग्रेजी माध्यम के अनुसार।                                                   | 8  |
| <b>अथवा</b>                                                                      |    |
| (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  |