

**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 the restrictions of a banking company. 8
- (B) From the following balances available from the books of Mahila Bank Ltd. on 31<sup>st</sup> March, 2017. Prepare Balance Sheet as on that date, with necessary schedules :

	<b>Rs.</b>
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
	8

**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<sup>st</sup> March, 2017 is as follows, prepare Final Account of the Bank :

**Trial Balance**

<b>Particulars</b>	<b>Dr. (Rs.)</b>	<b>Cr. (Rs.)</b>
Issued and subscribed capital 10,000 shares @ Rs. 100 each		10,00,000

<b>Particulars</b>	<b>Dr. (Rs.)</b>	<b>Cr. (Rs.)</b>
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		6,00,000
Cash-in-hand	3,66,000	
Loan and advances	32,00,000	
Profit & Loss A/c (1-4-2016)		1,50,000
Pension fund		50,000
Borrowing from other banks		8,00,000
Rent received		20,000
Unclaimed dividend		10,000
Commission		1,80,000
Cash with R.B.I.	2,95,000	
Interest paid on deposits	2,90,000	
Salaries and other expenses	2,34,000	
Interest on Bank Borrowings	20,000	
Non Banking Assets	40,000	
	83,10,000	83,10,000

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<sup>st</sup> March, 2017 :

	<b>Rs.</b>
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<sup>st</sup> March, 2017 and Balance Sheet as on that date :

	<b>Rs.</b>
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

	<b>Rs.</b>
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% 16

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. 8

**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 31<sup>st</sup> March, 2017.

**Balance Sheet**  
**as on 31<sup>st</sup> March, 2017**

<b>Liabilities</b>	<b>Rs.</b>	<b>Assets</b>	<b>Rs.</b>
Paid up Capital		Goodwill at Cost	2,00,000
2,00,000 Shares of Rs. 100	20,00,000	Land and Building	8,80,000
Profit and Loss A/c	4,53,200	Plant and Machinery	8,00,000
Bank Overdraft	4,66,800	Stock at Cost	12,00,000
Sundry Creditors	7,24,000	Book Debts	7,20,000
Provision for Taxation	1,56,000		
	<u>38,00,000</u>		<u>38,00,000</u>

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 —

- 2013—4,88,000
- 2014—5,12,000
- 2015—
- 2016—6,24,000
- 2017—6,80,000

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. 16

4. (A) State the functions of Liquidator. 8

(B) From the following information prepare Liquidator's Final Statement of Account. The liquidator, whose remuneration is 2% on realisation of assets :

	<b>Rs.</b>
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<sup>st</sup> March, 2017 when the following Balance Sheet was prepared :

**Balance Sheet**

<b>Liabilities</b>	<b>Rs.</b>	<b>Assets</b>	<b>Rs.</b>
Authorised Capital		Goodwill	1,00,000
60,000 Shares of Rs. 10 each	<u>6,00,000</u>	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	5,000
Partly Secured	1,10,620	Profit & Loss A/c	1,97,360
Unsecured	<u>1,99,580</u>		
Bank Overdraft	24,000		
	<u>7,72,600</u>		<u>7,72,600</u>

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.

16

5. (A) Prepare schedule 13, 14, 15 and 16 from the following information :

	<b>Rs.</b>
Interest on loan	25,000
Sundry income	10,000
Interest on overdraft	15,000
Interest on fixed deposits	10,000
Rent and taxes	5,000
Salaries to staff	8,000
Law charges	2,000
Advertisement	3,000
	4

(B) Prepare Accident Revenue A/c from the following balances of Indra Insurance Co. Ltd. :

	<b>Rs.</b>
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
	4

(C) Compute future maintainable profit from the following :

	<b>Rs.</b>
(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.	4

(D) From the following information calculate liquidator's remuneration :

	<b>Rs.</b>
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
	4

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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 निर्बंध (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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## (हिन्दी माध्यम)

1. (अ) अधिकोष प्रमंडल के निर्बंध (restrictions) स्पष्ट कीजिये। 8

(ब) अंग्रेजी माध्यम के अनुसार। 8

## 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