

Seat No.	
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Day & Date: Thursday, 24-10-2019
Time: 11:30 AM To 02:00 PM

Max. Marks: 70

Instructions: 1) All questions are compulsory.
2) Figures to the right indicate full marks.

Q.1 Fill in the blanks by choosing the correct alternatives given below: 14

- 1) Banking companies are governed by the Banking Regulation Act _____.
a) 1956 b) 1949
c) 1961 d) 1950
- 2) No banking Co. is allowed to pay dividend till _____ expenses are completely written off.
a) Capitalized b) Bad debts
c) Directors fees and allowances d) None of these
- 3) Excess price paid by a holding Co. to acquire controlling interest in the subsidiary Co. is transferred to _____.
a) Capital Reserve b) Goodwill
c) Revenue d) None of these
- 4) A company in which more than 50% of shares are held by another Co. is termed as _____.
a) Government Co. b) Holding Co.
c) Subsidiary Co. d) Public Co.
- 5) Loss of profit insurance covers _____.
a) Revenue losses b) Capital losses
c) Revenue and capital losses d) None of these
- 6) In case of loss of stock by fire the claim is restricted to _____.
a) Policy amount b) Value of goods insured
c) Actual loss less salvage d) None of these
- 7) Rebate on bills discounted is _____.
a) An accrued income b) Income received in advance
c) An income d) None of these
- 8) _____ is the excess of standard sales over actual sales during the indemnity period.
a) Credit sales b) Short sales
c) Gross profit d) None of these
- 9) The average clause in loss of profit policy protects the interest of the _____.
a) Insured b) Insurer
c) Workers d) None of these
- 10) Profits earned by a subsidiary Co. prior to acquisition of shares by holding Co. are termed as _____.
a) Capital Profits
b) Revenue profits
c) Profit apportioned as capital & revenue
d) None of these

- 11) An asset which does not generate income to the bank is _____.
 a) Non-performing asset b) Fixed assets
 c) Performing asset d) Fictitious asset
- 12) The average clause in loss of stock discourages _____.
 a) Over insurance b) Under insurance
 c) Consequential loss d) None of these
- 13) Every banking company is required to close its accounts on _____.
 a) 31st October b) 31st March
 c) 31st December d) 31st May
- 14) Profit earned by a subsidiary Co. after acquisition of shares of holding Co. are _____.
 a) Revenue Profit b) Capital Profit
 c) Realisation Profit d) None of these

Q.2 Write Short notes On**14**

- a) Scope of Management Accounting
 b) Functions of Management Accounting

- Q.3 A)** Mr. Jayantilal was insured under a loss of profit policy for Rs. 42000/- He closes his books of accounts on 31st December every year. A considerable damage was caused to his premises on 1st July 2000. The following further information is available to you from his records.

07

1. Turnover from 1-7-2000 to 30-9-2000	20,000
2. Turnover in the corresponding period of 1999	1,20,000
3. Turnover during the year ending 31-12-1999	4,00,000
4. Turnover during the year ending 30 th June 2000	4,80,000
5. Standing charges during the year ending 31-12-1999	24,000
6. Net profit during the year ending 31-12-1999	16,000

It has been ascertained that the business of Mr. Jayantilal has consistently shown an increase of 25% in the turnover in the months preceding the fire over the corresponding period of the previous year.

Show amount of claim.

- B)** A fire occurred in the business premises of M/s Poonawala on 15th Oct 1989. From the following particulars ascertain the loss of stock and prepare a claim for insurance.

07

Particulars	Rs.
Stock on 1-1-88	30,600
Purchases from 1-1-88 to 31-12-88	1,22,000
Sales from 1-1-88 to 31-12-88	1,80,000
Stock on 31-12-88	27,000
Purchases from 1-1-89 to 14-10-89	1,47,000
Sales from 1-1-89 to 14-10-89	1,50,000

The stocks were always valued at 90 per cent of cost. The stock saved was worth Rs. 18,000. The amount of the policy was Rs. 63,000. There was an average clause in the policy.

- Q.4** H. Ltd. acquired shares in S Ltd. on 1-4-1994. Their Balance sheets as on 31-3-1995 were.

Balance Sheet as on 31-3-1995

Liabilities	H Ltd. Rs.	S Ltd. Rs.	Assets	H Ltd. Rs.	S Ltd. Rs.
Share Capital			Land & Building	1,00,000	20,000
Shares of Rs. 100			Plant & Machinery	1,50,000	30,000
Each fully paid	2,50,000	50,000	Investment:		
General Reserve	50,000	20,000	400 shares in		
(as on 1-4-94)			S Ltd.,(at Cost)	50,000	—
Profit & Loss	70,000	25,000	Stock	40,000	25,000
Creditors	30,000	5,000	Debtors	30,000	15,000
			Cash	30,000	10,000
	4,00,000	1,00,000		4,00,000	1,00,000

Additional Information :-

- Sundry Debtors of H Ltd. include Rs. 5,000 due from S Ltd.
- Stock of S Ltd. includes goods purchased from H Ltd. for Rs. 20,000 on which H Ltd. made a profit of 25% on sale.
- On 1-4-1994 Profit & Loss A/c of S Ltd. showed a credit balance of Rs. 5,000

Prepare a consolidated Balance sheet of H Ltd. And its subsidiary S Ltd. in vertical form.

OR

- Q.4** Prepare a consolidated balance sheet with necessary working from the balance sheet of H Ltd. and S Ltd. and additional information given below. **14**

Balance Sheet
As on 3-12-1998

Liabilities	H Ltd. Rs.	S Ltd. Rs.	Assets	H Ltd. Rs.	S Ltd. Rs.
Share Capital			Land & Building	2,00,000	1,00,000
Shares of			Plant &		
Rs, 100 each	5,00,000	3,00,000	Machinery	1,50,000	2,00,000
General Reserves	40,000	10,000	Investment in		
Profit & Loss A/c	70,000	5,000	2,700 shares in S		
Bills Payable	50,000	25,000	Ltd.	2,97,000	-----
Creditors	1,40,000	60,000	Stock	40,000	30,000
			Debtors	50,000	60,000
			Bills Receivable	63,000	10,000
	8,00,000	4,00,000		8,00,000	4,00,000

Additional Information :

- On the date of purchase of shares there was no balance in General Reserve and Profit & Loss A/c showed a debit balance of Rs. 10,000 in the books of S Ltd.
- Sundry Debtors of S Ltd. include Rs. 40,000 due from H Ltd.
- Bills payable of S Ltd. includes Rs. 18,000 in favour of H Ltd. which has discounted Rs. 3,000 of them.
- Stock of S Ltd. includes Rs. 4,000 being purchased from H Ltd. on which the latter company made a profit of 33 1/3% on cost.
- Prepare consolidated Balance sheet in vertical form.

Q.5 The following is the Trial Balance of Dhanpati Bank Ltd. as at 31st March, 1998. **14**

Trial Balance Sheet

Particulars	Debit Rs.	Credit Rs.
Subscribed Capital:		
50,000 equity shares of Rs. 10 each fully paid		5,00,000
Reserve fund		2,50,000
Loans, cash credits and overdrafts	2,85,000	
Premises	50,000	
India Govt. Securities	4,00,000	
Current Deposits		1,00,000
Fixed Deposits		1,25,000
Savings bank deposits		50,000
Salaries	28,000	
General expenses	27,400	
Rent, Rates and Taxes	2,300	
Directors fees	1,800	
Profit & Loss A/c 1-4-1997		16,000
Interest and Discount		1,28,000
Stock of stationery	8,500	
Bills purchased and discounted	46,000	
Interim dividend paid	17,000	
Recurring deposits		20,000
Shares	50,000	
Cash in Hand and with reserve bank	1,93,000	
Money at call and short notice	80,000	
	11,89,000	11,89,000

The following information should be considered:

- 1) Provision for bad and doubtful debts is required to be made at Rs. 5,000
- 2) Interest accrued on investments was Rs. 8,000
- 3) Unexpired discount (Rebate on bills discounted) amounted to Rs. 380
- 4) Interim dividend declared was 4 per cent actual.
- 5) Endorsements made on behalf of customers totaled Rs. 1,15,000
- 6) Authorized capital was 80,000 equity shares of Rs. 10 each.
- 7) Rs. 10,000 were added to the premises during the year. Dep. charged 5% on opening balance.
- 8) Market value of India Govt. Securities was Rs. 3,90,000. It should be considered.

Prepare Profit & Loss A/c and Balance sheet in prescribe form with schedules.

OR

- Q.5** From the following balances extracted from the books of Laxmi Bank Ltd., Solapur, prepare the Profit and Loss Account for the year ended 31st March 2004 and the Balance sheet as on that date, with schedules.

Particulars	Rs.
Share capital (Authorised & issued) 10,000 shares of Rs.50 each Rs.30 paid	3,00,000
Statutory reserve fund	1,00,000
Money at call and short notice	1,25,000
Investment at cost	10,00,000
Interest paid on deposit	70,000
Law charges	3,000
Postage and telegram	2,000
Salary	45,000
Rent, tax and insurance	4,000
General expenses	10,000
Fixed deposit	5,00,000
Saving deposit	2,00,000
Current deposit	23,00,000
Premises (after dep. upto 31-3-2003 Rs.25,000)	1,75,000
Furniture (after dep. upto 31-3-2003 Rs.5,000)	15,000
Cash in hand	35,000
Cash with RBI	2,00,000
Cash with other bank	3,00,000
Borrowing from other bank	3,50,000
Interests on discount	2,23,250
Profit & Loss A/c (credit balance on 1-4-2003)	50,000
Dividend for the year 2002-03	30,000
Loan, cash credit and overdraft	16,14,250
Bills payable	25,000
Bill discounted and purchased	3,50,000
Unclaimed dividend	5,000
Branch adjustment (credit)	12,500
Commission and exchange	22,500
Library books	6,000
Repairs to bank property	4,000
Non banking assets	25,000
Gold bullion	75,000

Adjustment:

- 1) Provide Dep. at 5% on premises. And 10% on furniture on original cost.
- 2) Provide Rs. 10,000 for bad and doubtful debt.
- 3) Provide Rs. 20,000 for taxation.
- 4) Rebate on bill discounted for unexpired period amounted to Rs. 1,000.
- 5) Liability on account of forward exchange contract was Rs. 50,000.
- 6) Claim by employees for bonus Rs. 1,00,000 is pending award of arbitration.