

[2 Hours]

[Total Marks : 60]

N.B.: (1) All questions are compulsory.

(2) Figures to the right indicate full marks.

(3) Working notes should form the part of your answer.

1. XYZ Enterprises had a branch at Los-Angeles. Its Trial Balance as at 30th September, 2018 is as follows.

(15)

Particulars	Dr. US \$	Cr. US \$
Plant and Machinery	1,20,000	-
Furniture and Fixtures	8,000	-
Stock, October 1 st , 2017	56,000	-
Purchases	2,40,000	-
Sales	-	4,16,000
Goods from Indian Co. (H.O.)	80,000	-
Wages	2,000	-
Carried Inward	1,000	-
Salaries	6,000	-
Rent, Rates and Taxes	2,000	-
Insurance	1,000	-
Trade Expenses	1,000	-
Head Office A/c	-	1,14,000
Trade Debtors	24,000	-
Trade Creditors	-	17,000
Cash at Bank	5,000	-
Cash in Hand	1,000	-
	5,47,000	5,47,000

The following further information is given :

- (1) Wages outstanding \$ 1,000
- (2) Depreciate Plant and Machinery and Furniture and Fixtures @ 10 per cent p.a.
- (3) The Head Office sent goods to Branch for ₹ 39,40,000.
- (4) The Head Office shows an amount of ₹ 43,00,000 due from Branch.
- (5) Stock on 30th September, 2018 \$ 52,000.
- (6) There were no in transit items either at the start or at the end of the year.
- (7) On September 1st, 2017 when fixed assets were purchased, the rate of exchange was ₹ 38 to 1 \$.
On October 1st, 2017 the rate was ₹ 39 to 1 \$.
On September 30th, 2018 the rate was ₹ 41 to 1 \$.
Average rate during the year was ₹ 40 to 1 \$.

You are asked to Prepare - assuming that the foreign operation is in the nature of an integral operations:

- (1) Trial Balance incorporating adjustments given under 1 to 4 above converting dollars into rupees.
- (2) Trading and Profit and Loss Account for the year ended 30th September, 2018 and
- (3) Balance Sheet as on 30th September, 2018.

OR

1. The following Balances appeared in the books of Andheri Branch of a firm in U.K. on 31-12-2017.

(15)

Particulars	Dr. Rs.	Cr. Rs.
Stock on 1-1-2017	37,800	-
Purchases	2,25,000	-
Sales	-	3,37,500
Debtors	1,17,000	-
Creditors	-	78,000
Bills Receivable	31,200	-
Bills Payable	-	27,300
Wages and Salaries	14,400	-
Rent, Rates and Taxes	10,800	-
Miscellaneous Expenses	4,500	-
Furniture	14,730	-
Cash at Bank	90,870	-
Head Office A/c	-	1,03,500
	5,46,300	5,46,300

Stock on 31-12-2017 was Rs. 65,000. Andheri branch A/c in the books of head office showed a debit balance of £ 1,080 on 31-12-2017.

Furniture and Fittings were purchased from a remittance of £ 125 received from head office.

The average of exchange were :

31-12-2016 Rs. 67.50 per £

31-12-2017 Rs. 68.50 per £

The average rate of 2017 may be taken at Rs. 68 per £

Prepare Trading and Profit and Loss Account and Balance Sheet of Andheri Branch in the books of Head Office

2. From the following information calculate the amount of provisions and Contingencies and prepare Profit and Loss Account of Zed Bank Ltd. For the year ended 31.03.2018.

(15)

Particulars	(Rs. In '000)
Interest and Discount (included interest accrued on investment)	8,860
Other Income	220
Interest expended	2,720
Operating expenses	2,830
Interest accrued on investment	10
Addition Information:	
a) Rebate on bills discounted to be provided for	30
b) B) classification of Advances:	
i) Standard assets	4,000
ii) Sub-standard assets	2,240
iii) Doubtful assets – (Full unsecured)	390
iv) Doubtful assets – covered fully by security	
Less than 1 year	100
More than 1 year, but less than 3 years	600
More than 3 years	600
v) Loss Assets	376
c) Provide 35% of the profit towards provision for taxation.	
d) Transfer 20% of the profit to Statutory Reserve.	

OR

2. The following figures are extracted from the books of New Delhi Bank Ltd., as on December 31, 2017:

(15)

Particulars	Rs.
Interest and discount received	40,60,000
Interest paid on deposits	24,04,000
Issued and Subscribed capital	10,00,000
Reserve under Section 17	7,00,000
Commission, exchange and brokerage	1,80,000
Rent received	60,000
Profit on sale of investment	1,90,000
Salaries and allowances	2,10,000
Directors fees and allowances	24,000
Rent and taxes paid	1,08,000
Stationery, printing	48,000
Postage and telegram	40,000
Preliminary expenses	10,000
Audit fees	8,000
Depreciation on Bank's properties	25,000

The following further information is given:

- A customer to whom a sum of Rs. 5,00,000 has been advanced has become insolvent and it is expected only 40% can be recovered from his estate. Interest due at 15% has not been provided for in the books.
 - Provision for bad and doubtful debts and other debts necessary, Rs. 1,00,000.
 - Rebate on bills discounted as on December 31, 2016, Rs. 10,000.
 - Rebate on bills discounted as on December 31, 2017, Rs. 15,000.
 - Provide Rs. 7,00,000 for income tax.
 - The directors desire to declare 10% dividend.
- Prepare the Profit and Loss Account in accordance with the law. Make necessary assumptions.

3. From the following information as on 31st March, 2018, prepare the Revenue Accounts of Sagar Bhima Co. Ltd. engaged in Marine Insurance Business:

(15)

Particulars	Direct Business	Re-insurance
I. Premium:		
Received	24,00,000	3,60,000
Receivable – 1 st April, 2017	1,20,000	21,000
-31 st March, 2018	1,80,000	28,000
Premium paid	2,40,000	-
Payable – 1 st April, 2017	-	20,000
-31 st March, 2018	-	42,000
II. Claims:		
Paid	16,50,000	1,25,000
Payable – 1 st April, 2017	95,000	13,000
-31 st March, 2018	1,75,000	22,000
Received	-	1,00,000
Receivable – 1 st April, 2017	-	9,000
-31 st March, 2018	-	12,000
III. Commission :		
On Insurance accepted	1,50,000	11,000
On Insurance ceded	-	14,000

Other expenses and income:

Salaries – Rs. 2,60,000; Rent, Rates and Taxes – Rs. 18,000; Printing and Stationery – Rs. 23,000; Indian Income Tax paid – Rs. 2,40,000; Interest, Dividend and Rent received (net) – Rs. 1,15,500; Income Tax deducted at source – Rs. 24,500; Legal Expenses (Inclusive of Rs. 20,000 in connection with settlement of claims) – Rs. 60,000; Bad Debts – Rs. 5,000; Double Income Tax refund – Rs. 12,000; Profit on Sale of Motor car Rs. 5,000.

Balance of Fund on 1st April, 2017 was Rs. 26,50,000 including Additional Reserve of Rs. 3,25,000. Additional Reserve has to be maintained at 5% of the net premium of the year.

OR

3. From the following Trial Balance of ABC Consumer's Co-operative Stores Ltd. prepare Trading and Profit and Loss Account for the year ended 31st March, 2018 and Balance Sheet as on that date considering the additional information.

(15)

Particulars	Amount (Dr.)	Amount (Dr.)
Share Capital (fully paid up)	-	1,50,000
Reserve Fund	-	20,000
Stock of Goods	1,10,000	-
Furniture	48,000	-
Education Fund	-	8,000
Creditors	-	20,000
Debtors	30,000	-
Commission Due	-	4,000
Salaries	50,000	-
Rent, Rates and Taxes	27,400	-
Postage and Stationery	22,100	-
Building	9,000	-
Interest on Investment	-	10,000
Equipment's	20,000	-
Purchases	16,40,000	-
Investments	1,00,000	-
Sales	-	20,60,500
Commission	21,000	-
Cash in Hand	25,000	-
Cash at Bank	1,70,000	-
	22,72,500	22,72,500

Additional Information :

- Godown Rent Payable on 31st March, 2018 was ₹ 4,000.
- Depreciate Furniture @ 5% p.a.
- Closing Stock of goods valued at cost ₹ 1,40,000.
- Interest accrued on Investment ₹ 2,000
- Salary outstanding on 31st March, 2018 ₹ 5,000.
- Authorized capital was ₹ 2,00,000 dividend into shares of ₹ 10 each.
- Transfer to Reserve Fund 25% of net profit.

4. A) Choose the most appropriate answer from the following.

(08)

1. Discount on Bill is shown by a bank

- In Schedule of Advance
- In Schedule of Interest Earned
- In Schedule of Other Investment
- In Schedule of Interest Expended

2. Balance with RBI are shown in the final account of a Bank in

- Schedule 3
- Schedule 4
- Schedule 5
- Schedule 6

3. Exchange difference of Integral foreign Operation
a) transferred to suspense Account c) transferred to profit and loss A/c
b) transferred to foreign currency d) None of the above
4. Revenue A/c of a life insurance company must be prepared in
a) Form B c) Form A-RA
b) Form A d) Form C
5. Bonus payable to Policy holder is shown under
a) Current liabilities c) Advances
b) Provisions d) Fixed Assets
6. The aim of co-operative societies is
a) service c) profit
b) social welfare d) charity
7. Register of members should be maintained in form
a) A c) D
b) I d) C
8. The currency of the enterprise preparing account is called....
a) foreign currency c) reporting currency
d) home currency d) own currency

4 B) State whether the following statements are True or False:- (07)

- 1) Discount on Bills is showed by a bank in Schedule of interest earned.
- 2) Employee security deposits is shown by a Bank under Other Liabilities.
- 3) Exchange difference of integral foreign operation is transferred to profit and loss A/c.
- 4) The insured gets compensation only in case of loss.
- 5) Co-operative societies cannot pay dividend exceeding 15%.
- 6) Average rate = All transaction during certain period.
- 7) The Maharashtra Co-operative Society Act was passed in 1960.

OR

4. Write Short notes (any three) (15)
1. Rebate on bills discounted.
 2. Integral Foreign Operation.
 3. Non-performing Assets.
 4. Bye-Laws of a Co-operative Society.
 5. Money Back Policy.
