

Program/Sem: T.Y.B.Com (A & F) – Sem - V Course: FINANCIAL ACCOUNTING VI

Program Code: 2C00455 Course Code: 44802

Duration: 2 ½ Hour

08 NOV 2025

**Max. Marks: 75**

**Instructions:**

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Draw neat diagrams wherever necessary.

**Q. 1**      **Attempt the following.**

A. Fill in the blanks with an appropriate answer from the alternatives given.(Any 8) [08]

i). Infrastructure finance company must have minimum NOF of \_\_\_\_\_.  
(a) Rs. 300 lakhs (b) Rs. 200 lakhs  
(c) Rs. 150 lakhs (d) Rs. 500 lakhs

ii). Rebate on bills discounted refers to \_\_\_\_\_.  
(a) Discount for the unexpired term of the bill (b) Concession on bills discounted  
(c) Interest on bills discounted (d) None of the above

iii). LLP is created by \_\_\_\_\_.  
(a) Partnership act (b) LLP act  
(c) Companies act (d) Cooperative societies act

iv). Long term investments are valued as per \_\_\_\_\_.  
(a) AS 13 (b) AS 11  
(c) AS 14 (d) AS 18

v). While calculating capital employed \_\_\_\_\_.  
(a) Tangible trading assets should be considered (b) Fictitious assets should be considered  
(c) Intangible assets should be considered (d) None of the above

vi). Books of accounts of LLP are to be preserved for \_\_\_\_\_.  
(a) 5 years (b) 7 years  
(c) 8 years (d) 9 years

vii). Quoted shares are those shares which are \_\_\_\_\_.  
(a) Listed on the stock exchange (b) Quoted daily  
(c) Quoted by the seller (d) Quoted by the buyer

viii). NBFC must commence its business after registration within \_\_\_\_\_.  
(a) 3 months (b) 6 months  
(c) 9 months (d) 12 months

(a) 6 months (b) 3 months  
 (c) 9 months (d) 15 days

ix). Rate of interest is 11% and the rate of risk is 9%. The normal rate of return is \_\_\_\_\_.  
 (a) 11% (b) 9%  
 (c) 20% (d) 2%

x). The asset which does not show any credit weakness is a \_\_\_\_\_.  
 (a) Standard asset (b) Substandard asset  
 (c) Doubtful asset (d) Loss asset

**B. True or False: (Any 7) [07]**

i). Goodwill is an intangible fixed asset which has a Realisable value.  
 ii). Venture capital fund is exempted from registration with RBI.  
 iii). Average clause is introduced to discourage over insurance.  
 iv). Rate of interest on fixed deposit is lowest.  
 v). FMP is considered in valuation of goodwill.  
 vi). Application for registration of NBFC is to be submitted to SEBI.  
 vii). Claim on reinsurance accepted is added to claims paid.  
 viii) A banking company is allowed to deal in buying and selling of goods.  
 ix). LLP is convenient for professionals.  
 x). Designated partners are entitled to remuneration.

**Q. 2 Attempt either A or B.**

**A.** From the following information, prepare profit and loss account of the New Bank Ltd for the year ended 31st March 2020. [15]

Particulars	Amount
Interest paid on deposits	4,30,000
Interest on loans	4,50,000
Commission received	1,50,000
Advertising	15,000
Printing and stationery	32,000
Exchange	1,20,000
Interest on borrowings	2,40,000
Interest on overdraft	2,10,000
Salaries and allowances to employees	1,20,000
Interest on cash credits	3,10,000
Managing director salaries	48,000

Director's and local committee members fees and allowances	30,000
Discount on bills discounted	3,80,000
Brokerage	1,00,000
Lockers rent	3,000
Provident fund contribution	12,000
Rent and taxes	50,000
Law charges	5,000
Repairs to bank property	4,000
Transfer fees	1,000
Auditor fees	12,000
Depreciation on bank property	10,000
Postage and telegram	4,000
Loss on sale of government securities	3,000

Additional information :

1. Provide ₹ 80,000 for taxation.
2. Rebate on bills discounted ₹ 10,000.

OR

B. The following is trial balance of Sun Bank Ltd. Prepare balance sheet as on 31st March 2022. [15]

Trial balance as on 31st March 2022.

Particulars	Dr (Rs.)	Particulars	Cr. (Rs.)
Accrued interest	70,000	Share capital of Rs. 100 each.	
Cash in hand	1,20,000	50 called	5,00,000
Cash with RBI	2,00,000	Statutory reserve fund	13,00,000
Cash with other banks	3,00,000	Dividend equalization reserve	2,00,000
Money at call	50,000	Profit and loss as on 31st March 2021	5,00,000
Investment in government securities	1,50,000	Current accounts	80,000
Shares and debentures	50,000	Saving bank deposit	3,00,000
Gold	3,50,000	Fixed deposit	8,00,000
Cash credit, overdraft and loan	18,90,000	Recurring deposit	2,00,000
Bill discounted	3,00,000	Borrowings	6,00,000
Fixed assets (at cost)	20,00,000	Branch adjustment	20,000
Fixed assets required in satisfaction of claim	60,000	Unclaimed dividend	40,000
Advance tax	20,000	Proposed dividend	50,000
Tax deducted at source	10,000	Provision for tax	30,000
		Unexpired discount	50,000
		Bills payable	40,000
		Accrued interest	40,000
		Provision for depreciation	8,00,000
		Reserve for doubtful debts	20,000

Additional information:

1. Guarantee given on behalf of customer ₹ 25,000.
2. Liability for partly paid investment ₹ 20,000.
3. Bills for collection ₹ 2,00,000.
4. A claim by employees for bonus amounting to ₹ 15,000 in pending award of arbitration.

**Q. 3** Attempt either A or B.

A. From the following balances extracted from the books of real general insurance company Ltd. As on 31st March 2023, you are required to prepare revenue accounts in respect of fire and marine insurance business for the year ended 31st March 2023. [15]

Particulars	Fire amount (Rs.)	Marine Amount (Rs.)
Outstanding claims as on 1st April 2022	28,000	7,000
Claims paid	1,00,000	80,000
Reserve for unexpired risk as on 1st April 2022	2,00,000	1,40,000
Premium received	4,50,000	3,30,000
Agent commission	40,000	20,000
Expenses of management	60,000	45,000
Re insurance premium (debit)	25,000	15,000

The following additional points are also to be taken into consideration:

1. Claims outstanding as on 31st March 2022 were Fire insurance 30,000, Marine insurance 15,000.
2. Premium outstanding as on 31st March 2023 were Fire insurance 30,000, Marine insurance 20,000.
3. Reserve for unexpired risk to be maintained at 50% and 100% of net premium in respect of fire and marine insurance respectively.
4. Expenses of management due on 31st March 2023 were 10,000 for fire insurance and 5000 for Marine insurance.

**OR**

B. The following is the summarized balance sheet of Virendra Ltd. As on 31st March 2020: [15]

Liabilities	Rs.	Assets	Rs.
50,000 equity shares of Rs. 20 each fully paid up	10,00,000	Machinery	4,80,000
Securities premium A/c	2,00,000	Furniture	2,00,000
General reserve	4,78,800	Stock	12,40,000
Profit and loss A/c	3,14,000	Debtors	4,12,000
Sundry creditors	8,18,000	Cash in hand	6,800
Provision for taxation	3,96,000	Cash at bank	8,68,000
	32,06,800		32,06,800

The company transfers 20% of its profits (after tax) to general reserve.

Net profit before tax for the last three years have been as follows

For the year ended 31st March 2018. 5,44,000

For the year ended 31st March 2019. 7,32,000

For the year ended 31st March 2020. 7,88,000

Machinery is valued at ₹ 6,37,200.

Average yield in the type of business is 20%. The rate of tax is 50%.

Calculate the value of equity share on the basis of

Intrinsic value method and Yield value method.

**Q. 4** Attempt either A or B.

A. Changu and Mangu are partners sharing profits and losses equally. From the following trial balance and adjustments you are required to prepare statement of income and expenditure and balance sheet as on 31st March 2025. [15]

**Trial balance as on 31st March 2025**

Debit balances	Rs.	Credit balance	Rs.
Carriage inward	2,000	Capitals:	
Opening stock	30,760	Changu	60,000
Salary	4,000	Mangu	40,000
Wages	1,000	Commission	4,000
Discount	500	Interest	4,200
Interest	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		
Drawings:			
Changu	2,800		
Mangu	3,200		
	2,31,800		2,31,800

**Adjustments:**

- Outstanding wages ₹ 400.
- Provide depreciation at 10 % p.a. on building and motor van
- Accrued interest on investment ₹ 360.
- Provide 5 % R.B.D.D on debtors.
- Stock on 31st March 2025 was market value ₹ 40,000 and cost price ₹ 50,000.

**OR**

B. M/s East decided to convert into LLP on the following terms and conditions on 1st April 2023 when their balance sheet was as follows: [15]

Liabilities	Rs.	Assets	Rs.
Capital A/c		Land and building	62,500
East	66,000	Furniture	28,750
South	84,000	Inventories	34,000
Creditors	53,750	Trade receivable	80,000
Bank loan	30,000	Cash at bank	28,500
	2,33,750		2,33,750

**Terms of amalgamation:**

- Provision for doubtful debts to be created at 10 % on Sundry debtors.
- Inventories are to be revalued at ₹ 31,500.
- Building is to be taken over at ₹ 1,50,000.
- Partners took over bank loan.
- Goodwill was valued at ₹ 50,000.

You are required to show necessary ledger accounts in the books of M/s East.

**Q. 5      Attempt either (A and B) or C.**

A. Explain the methods of valuation of shares.	[08]
B. Distinguish between NMBC and Banks.	[07]

**OR**

C. Short Note: (Any 3) (5 marks each)	[15]
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- a) Reinsurance
- b) Acceptance and endorsements under banking company.
- c) Functions of bank
- d) LLP agreement
- e) Rebate on bills discounted.

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