

Program: S.Y.B.COM (A&F) Semester: IV Program Code: UGAF03
 Course: Financial Accounting IV Course Code: NUAF401

Duration: 2 Hour Examination Pattern: NEP - Autonomous External Max. Marks: 60

Instructions:

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

Examination:
REGULAR

Q. 1	(a)	Fill in the blanks with an appropriate answer from the alternatives given.	[08]	Course Outcome	Knowledge Level	
	I)	LLP stands for: _____		CO1, CO2, CO3, CO4	L1, L2, L3	
	a.	Limited Legal Partnership	b.			Limited Liability Partnership
	c.	Legal Liability Partnership	d.			Limited Loan Partnership
	II)	The document that governs mutual rights and duties of partners in an LLP is called: _____				
	a.	Memorandum of Association	b.			Articles of Association
	c.	LLP Agreement	d.			Partnership Deed
	III)	The minimum number of partners required to form an LLP is: _____				
	a.	1	b.			2
	c.	3	d.			7
	IV)	Final accounts of companies are prepared according to: _____				
	a.	Partnership Act	b.			Companies Act, 2013
	c.	LLP Act	d.			Income Tax Act
	V)	Share Capital is shown under: _____				
	a.	Current Liabilities	b.			Non-current Assets
	c.	Shareholders' Funds	d.			Revenue

	VI) NBFC stands for: _____			
	a.	National Banking Financial Company	b.	Non-Banking Financial Company
	c.	Non-Business Finance Company	d.	National Business Finance Corporation
	VII) NBFCs in India are regulated by: _____			
	a.	SEBI	b.	Ministry of Finance
	c.	Reserve Bank of India (RBI)	d.	IRDAI
	VIII) Profit prior to incorporation is transferred to: _____			
	a.	Statement of Profit & Loss	b.	General Reserve
	c.	Capital Reserve	d.	Dividend Account

(b) State whether the following statements are true or false.		[07]	Course Outcome	Knowledge Level										
I)	An LLP is a separate legal entity from its partners.		CO1, CO2, CO3, CO4	L1										
II)	In absence of LLP Agreement, profits are shared equally.													
III)	Final accounts of companies are prepared according to the Partnership Act, 1932.													
IV)	Goodwill is classified as an Intangible Asset.													
V)	NBFCs can issue cheques drawn on themselves like banks.													
VI)	NBFCs can accept demand deposits like commercial banks.													
VII)	Gross profit is apportioned on the basis of sales ratio.													
Q. 2	(a) Prepare Vertical Statement of Profit & Loss for the year ended 31-3-2017 of Agro Ltd.:	(15)												
	<table border="1"> <thead> <tr> <th>Particulars</th> <th>₹</th> </tr> </thead> <tbody> <tr> <td>Interest on Investment</td> <td>1,00,000</td> </tr> <tr> <td>Sales</td> <td>4,50,000</td> </tr> <tr> <td>Opening stock of Raw Material</td> <td>60,000</td> </tr> <tr> <td>Purchase of Raw Material</td> <td>2,50,000</td> </tr> </tbody> </table>	Particulars	₹	Interest on Investment	1,00,000	Sales	4,50,000	Opening stock of Raw Material	60,000	Purchase of Raw Material	2,50,000		CO1	L3,L6
Particulars	₹													
Interest on Investment	1,00,000													
Sales	4,50,000													
Opening stock of Raw Material	60,000													
Purchase of Raw Material	2,50,000													

Employees Benefits Expenses	40,000
Audit Fees	10,000
Sales Return	20,000

Additional Information:

1. Interest on Investment was receivable ₹30,000.
2. Closing Stock of Raw Material ₹40,000.
3. Outstanding Audit Fees ₹20,000.

OR

- (b) XYZ Limited was incorporated on 1st July, 2016 to acquire the business from 1st April, 2016. It commenced its business on 1st August, 2016. Its Profit and Loss Account for the year ending 31st March, 2017 is as under.

(15)

Particulars	₹	Particulars	₹
To Office Salaries	60,000	By Gross Profit b/d	5,20,000
To Selling Commission	78,000		
To Carriage Outwards	42,250		
To Rent and Taxes	1,20,000		
To Debenture Interest	25,400		
To Printing and Stationery	15,000		
To Advertisement Expenses	65,000		
To Net Profit	1,14,350		
	5,20,000		5,20,000

Additional Information:

Sales for the pre-incorporation period was @ ₹5,00,000 per month. Total sales for the year ended 31st March, 2017 was ₹65,00,000.

Prepare Statement of Profit and Loss in the columnar form for the year ending 31st March, 2017 allocating various items on suitable basis in the pre-incorporation and post incorporation period.

CO2

L3,L6

- Q. 3 (a) M/s East decided to convert into LLP on the following terms and conditions on 1st April, 2019, when their Balance Sheet was as follows:

(15)

Liabilities	₹	Assets	₹
Capital A/c:		Land and Building	62,500
East	66,000	Furniture	28,750
South	84,000	Inventories	34,000

CO3

L3,L6

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:

1. Provision for doubtful debts to be created at 10% on Sundry Debtors.
2. Inventories to be revalued at ₹31,500.
3. Building is to be taken over at ₹1,50,000.
4. Partners took over Bank Loan.
5. Goodwill was valued at ₹50,000.

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

OR

- (b) While closing its books of account on 31st March, 2018 a Non-Banking Finance Company has its advances classified as follows: (15)

Particulars	₹ in lakhs
Standard Assets	20,000
Sub-Standard Assets	2500
Secured Portions of Doubtful Debts:	
-Up to one year	3200
-One year to three years	900
-More than three years	400
Unsecured Portions of Doubtful Debts	970
Loss Assets	480

Calculate the amount of provision, which must be made against the advances as per:

1. The Non-Banking Financial Company- Non-Systematically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016; and
2. Non-Banking Financial Company – Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

CO4

L3,L6

- Q.4 (a) Templeton Finance Ltd is a non-banking finance company. The extracts of its balance sheet are given below: (15)

Liabilities	₹ in 000	Assets	₹ in 000
Paid-up Equity	100	Leased out Assets	800

	Capital				CO4	L3,L6
	Free Reserves	500	Investments:	5,000		
	Loans	400	-In Share of Subsidiaries and Group Companies	100		
	Deposits	400	-In Debentures of Subsidiaries and Group Companies	100		
			Cash and Bank Balance	200		
			Deferred Expenditure	200		
		1,400		1,400		
You are required to compute 'Net Owned Fund' of Templeton Finance Ltd as per Non-Banking Finance Company. Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.						
OR						
(b)	Short Notes: (Answer any 3)			(15)		
	1. Objectives of final accounts of a company.					
	2. Distinguish between pre-incorporation profit and post-incorporation profit.				CO1, CO2, CO3, CO4	L2
	3. Functions of NBFCs in India.					
	4. Importance of notes to accounts.					
	5. Features of Limited Liability Partnership					

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