

Time: 2 Hours

Marks: 60

- Note: 1. All questions are compulsory  
 2. Figures to the right indicate full marks.  
 3. Working Notes should form the part of your answer.

Q.1 The following is the Trial Balance from the books of of Kadamba Bank Ltd as on 31<sup>st</sup> March 2022. (15)

Particulars	Dr ₹	Cr ₹
Equity Share Capital, ₹ 100 each, ₹ 50 Paid up		16,00,000
Profit and Loss Account on 1 <sup>st</sup> April 2017		6,40,000
Fixed Deposit Account		54,56,000
Director Fees	72,000	
Savings Account		62,40,000
Current Account		41,04,000
Furniture (Cost ₹ 16,00,000)	13,92,000	
Audit Fees	16,000	
Commission and Exchange		16,00,000
Interest and Discount Received		33,60,000
Printing and Stationary	11,20,000	
Rent and Taxes	1,36,000	
Reserve Fund		5,60,000
Salary	64,000	
Branch Adjustment Account		20,80,000
Borrowings		32,00,000
Building (Cost ₹ 48,00,000)	36,00,000	
Law Charges	24,000	
Cash in hand	2,56,000	
Cash with RBI	56,00,000	
Cash with other Bank	52,00,000	
Investment at Cost	19,20,000	
Loans, Cash Credit and Overdrafts	48,00,000	
Bills Discounted and purchased	22,40,000	
Interest Paid	24,00,000	
	2,88,40,000	2,88,40,000

## Additional Information

- 1) Rebate on Bills Discounted Rs 88,000 as on 31<sup>st</sup> March 2022
  - 2) Provide for taxation ₹. 2,25,000
  - 2) Acceptances on behalf of customers ₹ 24,00,000.
  - 3) Transfer 25% of net profit to Statutory Reserve
- Prepare Profit and Loss Account for the year ended 31<sup>st</sup> March 2022 and Balance Sheet as on that date.

OR

Q. 1 Following is the Trial Balance from the books of Subhiksha Bank Ltd as on 31<sup>st</sup> March 2022 (15)

Particulars	Dr. ₹	Cr. ₹
Share Capital , 4,00,000 Shares of ₹ 10 each, ₹ 5 paid up		20,00,000
Fixed Deposits		80,00,000
Savings Bank Deposits		1,20,00,000
Sundry Creditors		1,20,000
Loans, Advances, Overdrafts and Cash Credits	2,80,00,000	
Bills Discounted	20,00,000	
Current Account		2,80,00,000
Money at Call and Short Notice	12,00,000	
Borrowed from Bank		8,00,000
Investments	1,20,00,000	
Premises	48,00,000	
Cash in hand	2,40,000	
Cash at bank	1,12,00,000	
Interest accrued and paid	8,00,000	
Salaries	3,20,000	
Rent	1,20,000	
Bills Payable		12,00,000
Interest and Discount		20,00,000
Profit and Loss Account ( 1 <sup>st</sup> April 2021)		24,40,000
Unclaimed Dividend		1,20,000
Statutory Reserve Fund		40,00,000
	6,06,80,000	6,06,80,000

**Additional Information**

- 1) Create Provision for taxation ₹ 2,20,000
- 2) Provide ₹ 1,10,000 for Doubtful Debts.
- 3) Transfer 25% of Net Profit to Statutory Reserve Fund
- 4) Acceptances on behalf of customers ₹ 5,25,000

Prepare Bank Final Accounts for the year ended 31<sup>st</sup> March 2022 in the books of Subhiksha Bank Ltd.

Q.2 Following is the Trial Balance of Sanskar Consumer Co operative Society Airoli, as on 31<sup>st</sup> March 2022.

(15)

Particulars	Dr. ₹	Cr. ₹
Share Capital		17,60,000
Purchases	1,80,40,000	
Sundry Debtors	3,30,000	
Sundry Creditors		2,20,000
Reserve Fund		1,65,000
Cash at Bank	18,70,000	
Cash in hand	2,75,000	
Sales		2,26,65,500
Consumer Welfare Fund		55,000
Stock of goods ( 1 <sup>st</sup> April 2021)	12,10,000	
Furniture	5,28,000	88,000
Education Fund		44,000
Commission Payable		
Salaries	7,81,000	
Printing and Stationary	1,91,400	
Rent, Rates and Taxes	2,20,000	
Postage	1,33,100	
Premises	11,00,000	1,10,000
Interest on Investment		
Equipment	2,20,000	
Wages	1,10,000	
Motor Vehicles	99,000	
	2,51,07,500	2,51,07,500

#### Adjustments

- 1) Closing Stock of goods is valued at cost ₹ 15,40,000
  - 2) Outstanding Salary on 31<sup>st</sup> March 2022 was ₹ 22,000
  - 3) Transfer to Education Fund ₹ 1,100
  - 4) Charge Depreciation on Furniture and Motor Vehicles at 10% p.a
- Prepare Trading and Profit and Loss Account for the year ending 31<sup>st</sup> March 2022 and Balance Sheet as on that date

OR

Q. 2 Aadhar Insurance Ltd furnishes the following information of fire insurance business for the year ended 31<sup>st</sup> March 2022. (15)

Particulars	₹
Claims admitted but not paid on 31 <sup>st</sup> March 2022	12,71,280
Claims paid for the year	4,50,000
Commission Paid for the year	15,00,000
Expenses of Management	4,29,000
Premium received	3,02,50,000
Claims outstanding as on 1 <sup>st</sup> April 2021	14,85,000
Reserve for Unexpired Risk as on 1 <sup>st</sup> April 2021	69,00,000
Commission on Re insurance ceded received	3,60,000
Additional Reserve for Unexpired Risk Opening	12,00,000
Legal Expenses regarding claims	75,000

Other information

- 1) Premium outstanding at the end of the year amounted to ₹. 12,00,000
  - 2) It is the policy of the company to maintain 50% Reserve for unexpired risks on the net premium of the year.
  - 3) Additional reserve at 10% of the net premium to be maintained.
- Prepare the Revenue Account for Fire Insurance business in the books of Aadhar Insurance Ltd for the year ended 31<sup>st</sup> March 2022.

Q.3 CSP Ltd has Head Office at Mumbai and Branch at California, USA. The Branch submits the following Trial Balance as on 31<sup>st</sup> March 2022. (15)

Particulars	Dr US \$	Cr US \$
Purchase and Sales	1,29,172	2,03,622
Head Office Account		4,236
Goods Received from Head Office	3,867	
Stock as on 1 <sup>st</sup> April 2021	4,772	
Plant and Machinery	11,374	
Furniture and Fixture	5,438	
Wages	150	
Salaries	22,672	
Cash at Bank	438	
Cash in Hand	1,272	
Office Rent	14,113	
Taxes and Insurance	3,891	
Debtors and Creditors	41,810	42,659
Legal Charges	817	
Internet Charges of computers	906	
Postage and Telegram	4,049	
Printing and Stationary	3,670	
Courier Charges	2,106	
	2,50,517	2,50,517

Other Information

- 1) The Branch Account in Head Office showed a debit balance of ₹ 1,94,833 and goods sent to branch account showed a credit balance of ₹ 1,85,600.

- 2) Plant and Machinery and Furniture and Fixture were acquired by the branch on 31<sup>st</sup> December 2021 when one US \$ was equal to ₹65
- 3) Head office provides depreciation on Plant and Machinery @ 10% p.a. and the Furniture and Fixture @20% p.a.
- 4) The branch reported a Closing Stock of US \$ 5,115 on 31<sup>st</sup> March 2022.
- 5) The exchange rates were as under
  - On 1<sup>st</sup> April 2021 US \$ 1 = ₹ 70
  - On 31<sup>st</sup> March 2022 US \$ 1 = ₹ 68
  - Average : US \$ 1 = ₹ 69

Prepare

- a) Branch Trial Balance in Indian Rupees
- b) Branch Trading and Profit and Loss Account for the year ending 31<sup>st</sup> March 2022
- 3) Balance Sheet of the Branch as at 31<sup>st</sup> March 2022

OR

Q.3 Following balances of Marine insurance business section appears as on 31<sup>st</sup> March 2022 in the books of Samudra Insurance Ltd.

(15)

Particulars	Direct Business ₹	Re-Insurance Business ₹
<b>Premium</b>		
Premium Received	25,30,000	3,96,000
Receivable for the year ending 31 <sup>st</sup> March 2022	1,03,125	1,37,500
For the year ending 31 <sup>st</sup> March 2021	1,43,000	1,40,250
Premium Paid		2,53,000
Payable for the year ending 31 <sup>st</sup> March 2022		1,54,000
Payable for the year ending 31 <sup>st</sup> March 2021		2,00,750
<b>Claims</b>		
Claims Paid	12,92,500	1,65,000
Payable for the year ending 31 <sup>st</sup> March 2022	68,750	15,125
Payable for the year ending 31 <sup>st</sup> March 2021	85,250	18,150
Claims Received		70,150
Receivable for the year ending 31 <sup>st</sup> March 2022		15,125
Receivable for the year ending 31 <sup>st</sup> March 2021		6,600
<b>Commission</b>		
Commission Paid	1,21,000	11,000
Commission Received on Re insurance ceded	---	13,750
<b>Other Expenses and Incomes</b>		
Dividend and Interest Received	7,70,000	
Postage	16,500	
Printing and Stationary	1,65,000	
Legal Expenses ( Including regarding claims 19000)	99,000	
Rent and Rates	2,20,000	
Reserve for unexpired risk as on 1 <sup>st</sup> April 2021	21,17,500	

Prepare Revenue Account of Samudra Insurance Ltd for the year ending 31<sup>st</sup> March 2022.

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**Q.4 A** Choose the most appropriate answer from the following

(8)

- 1) Revenue Account of Marine Insurance Company must be prepared in
  - a) Form A
  - b) Form B
  - c) Form C
  - d) Form A- RA
- 2) "Reserve for unexpired risk" should be maintained in Fire Insurance business is at
  - a) 75%
  - b) 25%
  - c) 100%
  - d) 50%
- 3) Salary Outstanding of Integral foreign branch should be translated at
  - a) Opening Rate
  - b) Closing Rate
  - c) Average Rate
  - d) Historical rate
- 4) Interest Charges of Integral foreign branch should be translated at
  - a) Opening Rate
  - b) Average Rate
  - c) Closing Rate
  - d) Historical rate
- 5) Rebate on Bills Discounted is
  - a) Current Year Income
  - b) Current Year Expenses
  - c) Income Received in Advance
  - d) Expenses paid in advance
- 6) Gold is shown in Balance Sheet of Banking Company under the head of
  - a) Fixed Assets
  - b) Other Assets
  - c) Investments
  - d) Cash and Balances with RBI
- 7) In Co Operative Society, the amount of Profit to be transferred to Reserve Fund is
  - a) 25%
  - b) 5%
  - c) 50%
  - d) 15%
- 8) Electricity Deposits of Co Operative Society Balance Sheet should be shown under the head of
  - a) Other Items
  - b) Investment
  - c) Fixed Assets
  - d) Current Assets

**Q.4 B** State whether the following statements are True or False

(7)

- 1) Fixed Deposits is shown under the head of Reserves and Surplus in Balance Sheet of Banking business.
- 2) Outstanding Expenses is translated at average rate in foreign branch conversion of accounts.
- 3) Premium on reinsurance ceded is deducted from the premium received to get net premium.
- 4) Provision for unexpired risk in case of fire insurance is 100%
- 5) Balance Sheet of Co operative society is prepared in form T
- 6) Non Performing Assets (NPA) of banks is related to fixed assets of the banks
- 7) Savings Bank Deposits is shown in Schedule No. 3 of the bank Balance sheet

**OR**

**Q. 4 Write Short Notes ( Any Three)**

(15)

- a) Integral and Non Integral Foreign Operation
- b) Direct Insurance and Re insurance
- c) Money at Call and Short Notice
- d) Reserve and Fund and Other Funds of Co operative Societies
- e) Loans and Advances of Banks