

Duration : 2.5 hrs

75 Marks

- Note : 1. Question No. 1 is Compulsory.
 2. Question No. 2,3,4 and 5 have internal options.
 3. Each question carry 15 marks.

Q.1 A) Fill in the blanks with correct alternatives(Attempt any Eight)(8)

- 1) Maximum number of partners in LLP is _____.
 (a) 20 (b) No Limit
 (c) 50 (d) 100
- 2) Full form of NPA is _____.
 (a) Net Performing Assets (b) Non-Performing Assets
 (c) Net Private Assets (d) Net Progressive Assets
- 3) In the financial statements of an insurance company, underwriting commitments outstanding are shown as _____.
 (a) Advances (b) Current Liabilities
 (c) Contingent Liabilities (d) Provisions
- 4) A rate of return normally expected by the shareholders on their investment is _____.
 (a) Fixed Rate of Return (b) Fluctuating Rate of Return
 (c) Rate of Interest (d) Normal Rate of Return
- 5) Under banking company final accounts, stock of stationary comes under the head _____.
 (a) Investments (b) Advances
 (c) Other Assets (d) Contingent Liabilities
- 6) _____ regulates and supervises NBFC's
 (a) Finance Ministry (b) SEBI
 (c) SBI (d) RBI
- 7) Normal Profit is Rs. 52,000, Normal Rate of Return is 10 %, Capital employed would be _____.
 (a) Rs.5200 (b) Rs.5,20,000
 (c) Rs.46,800 (d) Rs.4,68,000
- 8) Each designated partner is required to have a _____ before appointed as a designated partner in LLP.
 (a) MPIN (b) QPIN
 (c) DPIN (d) LPIN
- 9) A _____ company is the original insurance company which has accepted the risk and has agreed to pass on that risk to another insurance company
 (a) Ceding (b) Accepted
 (c) IRDA (d) Insured
- 10) Building acquired in satisfaction of a claim is shown by a bank under _____.
 (a) Contingent Assets (b) Fixed Assets
 (c) Other Assets (d) Advances

Q.1 (B) State whether the following statements are True or False (Attempt any Seven)

1. Locker Rent comes under operating expenses under banking company final accounts.
2. All insurance policies are always subject to Average clause.
3. Goodwill is an intangible fixed asset inseparable from business.
4. In case of marine insurance, provision for unexpired risk is maintained at 100 %.
5. Any expenses likely to incur has to be deducted from average profit which calculating future maintainable profits.
6. Limited liability partnership doesn't combines the advantages of a partnership firm and joint stock company.
7. Banking Companies in India are governed by the Banking Regulation Act, 1947.
8. NBFC is basically a banking company.
9. Yield value depends on the Net Assets of the company while valuation of shares.
10. Designated Partners are entitled to remuneration.

Q.2.A Following is trial balance of Jupiter Bank Ltd. Prepare Balance Sheet as on 31.03.2023

Rs. in '000 (15)

Particulars	Dr. (Rs.)	Particulars	Cr. (Rs.)
Money at call and short notice	5,850	Statutory Reserve	5,000
Cash in hand	11,250	Fixed Deposit A/c	24,000
Cash deposited with RBI	12,900	Current Deposits A/c	9,750
Furniture	5,250	Borrowings from other banks	8,775
Premises	8,000	Inter office adjustments	6,000
Investments – Government bonds	8,625	Bills payable	1,000
Investments – Approved Securities	4,950	Equity shares of Rs.10 each fully paid	14,500
Cash deposited in other banks	16,500	Recurring Deposits	1,250
Bank Overdraft	375	Profit for the year	11,250
Cash credit	2,100	Last years profit carried forward	29,250
Other Fixed Assets	5,000	Deposits in savings A/c	7,000
Term Loan	30,000	Provision for Taxation	1,125
Stock of Stationary	1075	Outstanding Expenses	475
Bills Purchased and Discounted	7,500	Contingency Reserve	2,500
Computers	4,000	Revenue Reserve	1,500
	1,23,375		1,23,375

Additional Information:

1. Create 25% Statutory Reserve on current years profits.
2. Acceptances & Endorsement were Rs.20,000.
3. Bill for collection is Rs.30,000.
4. Guarantees given on behalf of customer Rs. 50,000.
5. Outstanding Liability on forward exchange contract Rs.80,000.

OR

Q.2 B. From the following information of Daffodils Bank Ltd. Prepare Profit and loss account for the year ended 31st March, 2023. Rs. in '000 **(15)**

Particulars	Amount
Profit & Loss (1/4/2022)	1,110
Income on investment	2,400
Other Expenses	135
Profit on Sale of Investments	2,100
Interest received	6,600
Repairs and Maintenance	105
Commission, Exchange & Brokerage	680
Bonus to Staff	200
Interest on Saving Deposits	2,000
Interest on Fixed Deposits	750
Locker Rent	25
Legal Charges	30
Interest on Borrowings	135
Interest on Recurring Deposits	500
Rent, Taxes and Lighting	750
Salaries to Employees	1,300
Advertisement and Publicity	60
Postage and Telegram	15
Director Fees	45
Interest on Current Deposits	500
Depreciation on Property	300
Printing and Stationary	225
Interest on Balance with RBI	2,100
Profit on exchange transaction	400
Loss on revaluation of Fixed Assets	25
Insurance	150
Auditors Fees	60
Interest received on interbank deposit	1,200

Adjustments

1. Transfer 10% of current year net profit to proposed dividend.
2. Transfer 25% of current year net profit to statutory reserve.
3. Provision for taxation amounted to Rs. 3,20,000.

Q.3 A From the following figures relating to Blue Lotus Insurance Company. Prepare Revenue Account for the department in vertical form for the year ended 31.03.2023 **(15)**

Particulars	Rs.
Premium received	54,00,000
Commission on Reinsurance accepted	1,10,000
Additional Reserve on unexpired risk	6,60,000
Claim outstanding on 1.04.2022	1,50,000
Claim paid	12,00,000
Fire fund as on 1.04.2022	18,50,000
Interest, dividend and rent	50,000
Profit on sale of investment	90,000
Commission on re-insurance ceded	95,000
Premium on re-insurance ceded	2,50,000
Expenses of Management	8,63,000
Commission on Direct Business	30,00,000

Additional Information:

1. Claim outstanding 31.03.2023 Rs.1,00,000.
2. Expenses of Management include Survey fees of Rs.62,000 and Legal Fees Rs.50,000 in respectively in relation to claims.

OR

Q.3B A and B are in partnership sharing profit and losses equally. The trial balance of the firm on 31.03.2023 was as follows **(15)**

Trial Balance as on 3103.2023

Debit balances	Rs.	Credit balances	Rs.
Purchases	25,000	Capital	
Debtors	12,000	A	40,000
Opening stock	20,000	B	30,000
Wages	5,000	Sales	60,000
Salaries	8,000	Creditors	21,000
Land and Building	30,000	10% Bank Loan	20,000
Plant and Machinery	25,000	Commission	5,000
Furniture	16,000	Outstanding Rent	1,000
Advertisement (for 2 years)	6,000	Discount	500
Bills receivable	8,000		
Insurance	2,000		
Drawings			
A			
B	3,000		
Cash in hand	5,500		
Rent	7,000		
Power and fuel	3,000		
	1,77,500		1,77,500

Additional Information:

1. Outstanding expenses were wages Rs. 1000/- and Salaries Rs. 2,000/-
2. Depreciate land and building @ 5% and Machinery @ 10%.
3. Closing Stock valued at Rs.30,000/-
4. Write off Rs.2,000/- for bad debts and maintain R.D.D @ 5% on debtors
5. Credit purchases amounting Rs.5000/- were not recorded in the books of account.

From the above Trial balance and adjustments you are require to prepare Final Accounts of LLP Ltd.

Q.4. A. The following is the Balance Sheet of Kofta Ltd as on 31 March, 2023

(15)

Liabilities	Amt	Assets	Amt
10,000 shares of Rs. 100 each	10,00,000	Goodwill	2,50,000
Reserve Fund	3,00,000	Building	2,88,000
Workmens Compensation Fund	50,000	Machinery	4,00,000
Bills Payable	90,000	Investments (to provide replacement of Plant & Mach)	2,00,000
Profit and Loss A/c	3,00,000	Book Debts	6,60,000
Creditors	4,60,000	Stock	4,00,000
Other Liabilities	2,00,000	Cash at Bank	1,50,000
		Preliminary Expenses	52,000
	24,00,000		24,00,000

Additional Information :

The Profits earned by the company for the three years ended on were as under :

31/3/2021 – 6,20,000, 31/3/2022 – 5,80,000, 31/3/2023 – 5,46,000

The profits given are profits before tax, which was 50 % throughout

A Ltd had been carrying on business for the past several years. The company is to be taken over by another company. For this purpose you are required to value Goodwill by 'Capitalisation by Maintainable Profits Method' .

For this purpose additional information is available :

1. The new company expects to carry on business with its own Board of Directors, without any addition. The fees paid by A Ltd to its directors amounted to Rs. 1500 per month.
2. The new company expects a large increase in volume of business and therefore, will have to take an additional office for which it will have to pay an extra rent of Rs. 24000 per annum.
3. The following assets were revalued : Building Rs. 3,00,000, Machinery Rs. 1,80,000
4. Liability under Workmen Compensation Fund was only Rs. 10,000.
5. The expected rate of return on similar business may be taken at 12 %
6. Consider average capital employed the same as closing capital employed.

OR

Q.4. B. The following particulars of a company are available: **(15)**

1. Equity share capital : 20,000 equity shares of Rs.10 each fully paid.
2. Preference share capital : 1,000, 10% preference shares of Rs.100 each fully paid.
3. General Reserve : Rs.10,000, Profit and Loss A/c (cr bal) – 5,000
4. Outside liabilities : Creditors – Rs.10,000, Bills Payable – Rs. 6,000, O/s Exps - 2000
5. The average normal profit after tax earned each year by the company Rs. 28,500.
6. Transferred to general reserve – 10%

Assets of the company include one fictitious item of Rs. 800. The normal rate of return in respect of the equity share of this type of company is ascertained at 12 % (ignore goodwill)

Compute the value of the company's share by

- a) The asset backing method.
- b) Yield Method.

Q.5 A (i) Explain Non – Performing Assets of NBFC **(8)**

(ii) Explain the term Goodwill and enumerate its methods? **(7)**

OR

Q.5 B. Write Short Notes **(Attempt any Three)** **(15)**

- a) Reserve for Unexpired Risk
- b) Functions of Bank
- c) Limitations of LLP
- d) Methods of valuation of Goodwill
- e) Note on NBFC
