



**PRAHLADRAI DALMIA LIONS COLLEGE
OF COMMERCE & ECONOMICS**

ISO 9001: 2015 Certified

13/04/23
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PROGRAM: BBI	SEMESTER: II
CLASS: FY	COURSE/ SUBJECT: Financial Accounting (SET 1)
MARKS: 75	TIME: 2Hrs 30 Mins.

Note: (1) All questions are compulsory subject to internal choice.

(2) Figures to the right indicate full marks.

Q.1(a): Choose the correct Alternative and Rewrite the Sentence . (Any Eight)

(8)

- Which of the following items does not appear under the head 'Reserves and Surplus' in the balance sheet?
(a) General reserve (b) Sinking fund
(c) Unclaimed dividend (d) Securities premium
- Which of the following balances is available for transfer to Capital Redemption Reserve?
(a) Forfeited Shares Account (b) Profit prior to Incorporation
(c) Investment Allowance reserve (d) None of the above
- Profit on forfeiture of redeemable pref. shares is credited to
(a) Capital Reserve A/c (b) Capital Redemption Reserve A/c
(c) Profit & Loss A/c (d) General reserve A/c
- In case of cumulative sinking fund for redemption of debentures, interest received
(a) is credited to profit and loss account (b) is credited to Sinking Fund Investment A/c
(c) is credited to Sinking Fund A/c (d) is credited to Interest A/c
- Maximum buy back limit in any year is _____ of total paid up equity Capital.
(a) 25% (b) 10% (c) 20% (d) 30%
- If Share are bought back out of free reserve then a sum equal to nominal value of the share so bought back is transferred to _____
(a) Capital reserve A/c (b) Profit & Loss A/c
(c) Capital redemption reserve A/c (d) General Reserve A/c
- When a Company completes buyback of its Share, it cannot further issue same kind of share within period of _____
(a) 6 Months (b) 1 Years (c) 2 Years (d) 5 Years
- Monetary value of the reputation, connections and Profit – earning capacity a firm.
(a) Trade Mark (b) Goodwill (c) Super Profit (d) Average Profit
- Goodwill is define as _____
(a) Intangible Assets (b) Fictitious asset (c) Current Assets (d) Liquid Assets.
- Debenture can be redeemed _____
(a) Only out of the proceeds of the fresh issue of Debentures (b) Only out of divisible Profit
(c) Only out of Capital (d) Out of capital or Profit.

(b): State whether the following statements are true or false after rewriting the same. (any 7) (7)

- Profits for the past years are Rs. 15000, Rs. 18000 and Rs. 21000, so average profit will be Rs. 18000.
- A debenture holder is a Creditor of the company
- Redeemable Equity shares can be redeemed only out of the profits of the company
- Dividend equalisation reserve can be used as divisible profits while redeeming preferences shares.

5. A debenture issued at a discount can be redeemed at a premium
6. A debenture holder receives interest only in the event of profits
7. Capital redemption reserve is used for payment of dividend.
8. Capital reserve is a divisible profit.
9. Preference shareholder have voting rights.
10. Fully paid pref. shares cannot be redeemed.

Q.2(A): Raj Pvt. Ltd. had issued 5000 -12% debentures of Rs 100 each redeemable on 31-12-2023 par. (15)

The company offered three options to the debenture holders as under :

- (i) 14% Preference shares of Rs 10 each at Rs 12.
- (ii) 15% Debentures of Rs 100 each at par.
- (iii) Redemption in cash.

The options were accepted as under :

Option (i) by holders of 1500 debentures

Option (ii) by holders of 1500 debentures

Option (iii) by holders of 2000 debentures

The redemption was carried out by the Co.

Pass journal entries in the books of Hindustan Pvt .Ltd . Company decided to use the minimum amount of profits required by law.

OR

Q.2 (B). Enron Ltd .gave notice of its intention to redeem its outstanding Rs 6,00,000 – 8% debentures at Rs 103 and offered the holders the following options : (15)

(a) 10% Preference shares of Rs 20 each at Rs 25.

(b) 9% Debentures at Rs 96 .

(c) To have their holdings redeemed for cash .

(i) The holders of Rs 1,80,000 debentures accepted proposal (a) .

(ii) The holders of Rs 2,40,000 debentures accepted proposal (b).

(iii) The remaining debentures holders accepted proposal (c) .

Pass necessary journal entries in the books of Enron Ltd . assuming the redemption was made fully out of profits ,if applicable .

Q.3(A) Balance Sheet of Shiva Ltd . on 31st March , 2021 was as under : (15)

Liabilities	Rs	Assets	Rs
10% Preference Shares of Rs 100 each fully paid	5,00,000	Fixed Assets	11,00,000
Equity Shares of Rs 10 each fully paid	10,00,000	Investment	4,00,000
Securities Premium	4,00,000	Bank	90,000
General Reserve	3,00,000	Other Current Assets	14,00,000
8% Debentures of Rs 100 each	4,00,000	Preliminary Expenses	10,000
Current Liabilities	4,00,000		
	30,00,000		30,00,000

On the above date the company decided to redeem its preference shares at 10% premium . For this purpose the company sold its investment at a profit of 10% and issued 25,000 equity shares of Rs 10 each at par . Preference shares were duly redeemed . All the money under new issues was received

and all money on redemption was paid . You are required to give necessary journal entries for the above transactions keeping in view all the legal requirements .

OR

Q.3 (B) The summarized Balance Sheet of SP Ltd .as on 31-03-2017 was as follows :

Liabilities	Rs	Assets	Rs
Share Capital :		Fixed Assets	
Authorised:			4,00,000
50,000 Equity Shares of Rs 10 each	5,00,000		
8% 2,0000 Redeemable Preference Shares of Rs 100 each	2,00,000	Investment	1,00,000
Issued and Paid up :		Cash at Bank	2,50,000
40,000 Equity Shares of Rs 10 each , fully paid up	4,00,000		
8% , 1,000 Redeemable Preference Shares of Rs 100 each fully Paid up	1,00,000		
Profit and Loss A/C	90,000		
General Reserve	50,000		
Sundry creditors	1,10,000		
	7,50,000		7,50,000

Preference shares were redeemed at 10% . You are required to pass the Journal Entries and Prepare the Balance Sheet after redemption .

Q4(A) Following is the Balance sheet of Raj LTD. (a non-listed Company)

(15)

Liabilities	Rs.	Assets	Rs.
Share capital		Sundry Assets	
60,000 Equity Share of Rs. 10each Rs. 8 paid up	4,80,000	Cash at Bank	12,20,000
10% preference Share Capital Rs. 100 paid Up	5,00,000		2,00,000
Securities Premium	15,000		
Capital Reserve	15,000		
General Reserve	60,000		
Profit & Loss A/c	50,000		
Trade Payable	3,00,000		
	14,20,000		14,20,000

Company Make all necessary steps to make the equity share eligible for buy-back. Then company decided to issue 1,200 Preference Share at Par in order to buy- back 20%equity Capital of the company. The new issue was fully subscribed. The Company also issued 1000 , 10% Debenture of Rs.100 each fully paid. After the issue of share and debenture the company bought buy back 20% equity share capital from the open Market.
Pass Journal Entries and Prepare Balance sheet of the Company.

OR

Q.4 (B) The Following are available in respect of the business carried by Mr. Abhishekh .
Capital Invested Rs.1,00,000. (8)

Trading Result	Profit (Rs.)
2018-19	24,400
2019-20	4,000 (Loss)
2020-21	30,000
2021-22	42,000

Normal Rate of return :10% . Remuneration from alternative employment of the Proprietor (if not engaged in business) Rs.7,200 p.a.

Compute Value Of Goodwill on the basis of 2 years Purchase of Super Profit.

And

Q.4(C) Net Profit of PQR company before providing for taxation at 30% for the past five years were Rs. 40,000, Rs.42,500, Rs.47,500 , Rs.46,000 and Rs. 50,000. Capital employed in the business is Rs. 1,75,000. NRR is 15%.
Calculate Goodwill by Capitalization of Profit Method. (7)

Q.5 (a) : Explain Debenture Redemption Reserve & Sinking Fund Investment. (7)

(b) : Distinguish between Shares and Debentures. (8)

OR

Q.5 : Write short notes on: (any 3) (15)

- (a) Redemption of debenture out of Capital
- (b) Benefits of buy-back
- (c) Redemption by Conversion
- (d) Average profit method of valuing goodwill.
- (e) Free Reserve.



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EXTERNAL EXAM APRIL, 2023.

DEPARTMENT: BBI	SEMESTER: II
CLASS: FYBBI	SUBJECT: PRINCIPLES AND PRACTICES OF BANKING AND INSURANCE
MARKS: 75	TIME: 2 hours 30 mins.

Note: 1) All questions are compulsory carrying 15 marks each

Q.1 (A) Rewrite the questions and select the correct the alternative:(Any 8) :

(8)

1. _____ is a plastic card that allows its holders to buy goods and services on credit.
(Debit card, Credit card, RuPay cards)
2. Reserve Bank of India was established in _____.
(1935, 1934, 1933)
3. _____ contains provisions to ensure adequacy of minimum paid up capital and reserves.
(Section 11, Section 8, Section 22)
4. _____ risk refers to risk affecting individual but not to a community.
(Fundamental, Dynamic, Particular)
5. Cause proxima means _____.
(Periodic cause, Far-off cause, Nearer cause)
6. _____ is a consideration paid by the insured to the insurance company.
(Dividend, Installment, Premium)
7. The term "Re-insurance, also termed as _____.
(Double insurance, Insurance of insurance, Repeat insurance)
8. GIC stands for _____.
(General Insurance Corporation, General Insurer Corporation, General Insured Corporation)
9. _____ of Banking Regulation Act, 1949, prohibits a banking company from engaging directly or indirectly in trading activities and undertaking trading risks.
(Section 8, Section 11, Section 22)
10. _____ policy is issued for a fixed period and a premium is payable during that period only.
(Endowment, Average, Valued)

(B) Rewrite the questions and state whether the statements are true or false: (Any 7): (7)

1. Obtaining credit card is easier than obtaining debit card.
2. An account opened by customer to make a deposit and withdrawal of small sums of money is known as savings account.

3. Dynamic risks normally benefit the individuals.
4. Cattle insurance is a type of general insurance.
5. RBI is also playing a role to regulate insurance sector.
6. The basic purpose of insurance is to compensate loss and not to allow profit from insurance contract.
7. Section 23 provides license for all banks by the Reserve Bank.
8. The commercial banks which are not included in second schedule of Reserve Bank of India Act, 1934 are called as 'Non-Schedule Banks'.
9. The interest rate payable on recurring deposit is generally lower than fixed deposit rate for the same period.
10. The person who pledges the good is called bailor.

Q.2(A) Explain need for banks in country. (08)

(B) Explain the reasons for Regulations to Banks. (07)

OR

Q.2(C) Explain types of cooperative bank. (08)

(D) Discuss the role of EXIM in detail. (07)

Q.3 (A) What are the financial services provided by the bank (08)

(B) Differentiate saving account from current account. (07)

OR

Q.3(C) Explain the role of RBI (08)

(D) Explain fixed deposit account with its features. (07)

Q.4(A) Explain different types of endowment policies (08)

(B) Distinguish between Life and Fire insurance. (07)

OR

Q.4(C) What is marine insurance? What are the different types of marine insurance policies? (08)

(D) What is risk? What are the different types of risk in business? (07)

Q.5(A) Explain the duties and power of IRDA. (08)

(B) Explain claim and settlement procedure under life insurance policy. (07)

OR

Q.5. Short Notes: (Any 3) (15)

1. Financial Inclusion
2. Insurance Ombudsman
3. Actuary
4. Precautions to be taken for debit card
5. Objectives of Life Insurance Act, 1956



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EXTERNAL EXAM APRIL, 2023.

DEPARTMENT: BBI	SEMESTER: II
CLASS: FYBBI	SUBJECT: Business Law
MARKS: 75	TIME: 2 hours 30 mins.

Q1) A Fill in the blanks :- (Any 8 out of 10)

1. _____ laws are passed by a particular country.
2. _____ bailment is without any consideration.
3. _____ are previous decisions of court.
4. _____ is a tool of justice.
5. Addressee means the person who _____ the message.
6. A contract which ceases to be enforceable is called as _____.
7. _____ law is the law applicable to national states.
8. SLP stands for _____.
9. Mental acceptance is _____ acceptance.
10. _____ is one of the oldest sources of law.

Q1) B State whether True or False(any 7 out of 10)

1. The cases under IT Act, 2000 are referred to High Court.
2. Consent is important in a contract.
3. Agreement to do an impossible act is void.
4. Condition is essential to contract of sale.
5. The terms & conditions of an agreement must be certain.
6. Right to equality talks about equality before law.
7. A minor can be a party to a contract.
8. There is a freedom given by constitution to assemble peacefully without arms.
9. Speaking order are the supporting reasons for any order being passed.
10. Quasi contracts are implied contracts.

- Q2 A** Explain the classification of laws in India.
Q2 B Explain salient features of the Constitution.

OR

- Q2 C** Explain the right to freedom
Q2 D Explain the concept of void contract (Any 8)

- Q3 A What are the essentials of a valid contract? (08)
- Q3 B Explain free consent and its elements in brief (07)
- OR
- Q3 C Explain minor's agreement. (08)
- Q3 D Explain the concept of breach under a contract and its impact. (07)
- Q4 A Explain Conditions and Warranties under contract of sale. (08)
- Q4 B Explain the concept of discharge under a contract. (07)
- OR
- Q4 C Explain the concept of discharge of parties under negotiable instruments. (08)
- Q4 D Explain essentials of a bill of exchange. (07)
- Q5 A Explain Digital Signature Certificate. (08)
- Q5 B Give any 5 definitions of Information Technology Act, 2000. (07)
- OR
- Q5 Write Short Notes (any 3) (15)
- 1 Sources of law
 - 2 Mistakes
 - 3 Difference between sale and hire purchase
 - 4 Types of Contract
 - 5 Quo Warranto



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EXTERNAL EXAM APRIL, 2023.

DEPARTMENT: BBI	SEMESTER: II
CLASS: FYBBI	SUBJECT: FOUNDATION COURSE - II
MARKS: 75	TIME: 2 hours 30 mins.

Note:

1. All questions are compulsory
2. Figures to the right indicate full marks

Q.1 A) Choose the correct alternative. (Any 8)

[8M]

1. _____ involves selling state owned assets to private sector. (Privatization, Globalization, Liberalization)
2. Working with farmers by corporate firms and sharing the profit is known as _____ farming. (Contract, Corporate, Private)
3. Human rights are derived from the principle of _____ law. (Natural, Human, Judicial)
4. Article 15 of the constitution provides for _____ equality & equal access to public areas. (Legal, Social, Religious)
5. _____ protect us from UV rays emitted by sun. (Carbon dioxide, Ozone, Nitrogen)
6. _____ consist of biotic and abiotic factors that surrounds us. (Environment, Physiology, Ecology)
7. _____ arises when goal directed behavior is blocked. (Frustration, Aggression, Violence)
8. _____ helps to develop the power of concentration. (Meditation, Physical exercise, social support)
9. _____ is a situation in which two or more parties feel themselves in opposition (Conflict, Stress, Frustration)
10. The _____ need lies at the highest level of the hierarchy of Maslow's theory. (Physiological, Esteem, Self-Actualization)

Q.1 B) State whether the following statement true or false. (Any 7)

[7M]

1. IT has made communication easy and less expensive.
2. Brain drain is a positive impact of globalization.
3. Human rights have universal application.
4. Article 21 A stands for Right to education through 86th amendment.
5. Urbanization is the only cause of environmental degradation.
6. Public participation is one of the guiding principles of sustainable development.
7. Truth and honesty help to develop good personality.
8. Family is the only agent of socialization
9. Smoothing refers to accommodating other party's interest.
10. Stress can be felt by only certain age group.

Q.2A) What is Liberalization? Explain the advantages and disadvantages of liberalization in detail. [15M]

OR

Q.2 B) Explain the positive & negative impact of IT & communication. [8M]

Q.2 C) Discuss the impact of globalization on employment. [7M]

Q.3A) Discuss the concept of Human Rights & its features. [8M]

Q.3B) Elaborate the concept of Right to equality in detail. [7M]

OR

Q.3C) Examine the causes & effects of environment degradation. [15M]

Q.4 A) What is stress? Explain the various causes of stress. [15M]

OR

Q. 4 B) Elaborate the role of agents of socialization in personality development. [15M]

Q.5 A) Discuss the components of environment in detail. [8M]

Q.5 B) What are values? Examine the role of values in individual development. [7M]

OR

C) Write Short notes (Any 3 out of 5) [15M]

1. Globalization
2. Right against exploitation
3. Ecosystem
4. Role of prejudice
5. Method of responding to conflicts

10/04/23
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EXTERNAL EXAM APRIL, 2023.

DEPARTMENT: BBI	SEMESTER: II
CLASS: FYBBI	SUBJECT: Quantitative Methods - II
MARKS: 75	TIME: 2 hours 30 mins.

- N.B.**
- (1) All questions are compulsory.
 - (2) All questions carry equal marks.
 - (3) Figures to the right indicate maximum marks allotted to the sub-questions.
 - (4) Use of simple calculator is allowed.
 - (5) Graph papers will be supplied on request.

Q1. Rewrite the questions and select the correct alternative: (any 8)

1. The hypothesis rejecting the null hypothesis is called the _____.
 - a) alternate
 - b) full
 - c) positive
 - d) non-null
2. In the process of testing, a statistician starts with a hypothesis called _____.
 - a) alternate
 - b) level of significance
 - c) null
 - d) positive
3. In simplex method, intersecting elements of key row and key column is known as _____.
 - a) Key element
 - b) non-key element
 - c) initial
 - d) intersecting element
4. A matrix is said to be null matrix if all its elements of the matrix are _____.
 - a) ones
 - b) zeroes
 - c) two
 - d) three
5. If the determinant of square matrix is zero then the matrix is called _____.
 - a) non-singular
 - b) Singular
 - c) Unit matrix
 - d) Identity matrix
6. The inverse ratio of 2:3 is _____.
 - a) 1:6
 - b) 3:2
 - c) 6:1
 - d) 5:3
7. 15% of 475 is _____.
 - a) 49
 - b) 56
 - c) 79.2
 - d) 71.25
8. Fourth proportional to 1, 3 and 9 is _____.
 - a) 27
 - b) 12
 - c) 13
 - d) 28

9. NDP=_____.
- a) GNP-Depreciation b) NNP-Depreciation
c) GDP-Depreciation d) None of these
10. The systematic risk is the risk _____ the market risk.
- a) Related to b) independent of
c) that is double of d) none of the above

B. State whether the following statements are True or False (any 7 out of 10)

1. A null hypothesis is supposed to be neutral hypothesis.
2. An L.P.P. may have no solution.
3. A matrix whose all entries are 1 is called as an unit matrix.
4. Matrix multiplication is commutative.
5. The duplicate ratio of 5 : 2 is 4 : 10.
6. Percentage is a ratio with 100 as its denominator.
7. Business risk is a type of Systematic risk.
8. Roadways, railways, schools, hospitals are all infrastructural facilities.
9. NNP is the GNP minus depreciation.
10. Slack in LPP represent unutilized resources.

Q2. A. Solve the following L.P. P graphically

$$\begin{array}{ll} \text{Maximize} & Z = 2x + 3y, \\ \text{subject to} & x + y \leq 2, \\ & 3x + y \leq 4, \\ & x, y \geq 0 \end{array}$$

- B)** A coin is tossed 900 times and was found to result in head 460 times. Does this result support the hypothesis that the coin is unbiased? Use 5% level of significance.

OR

C) Solve by matrix inversion method

$$\begin{array}{l} 2x - y + z = 1 \\ x + y + z = 8 \\ 3x + y - 4z = 1 \end{array}$$

- D)** Kunal, Kiran, Kabir are partners in a firm and their capitals are Rs. 64,000, Rs. 48,000 and Rs. 80,000 respectively. At the end of a year, the business earned a profit of Rs. 36,000 which is to be distributed among the partners in the proportion of their capitals. What will be each partner's share of profit.

Q3. A. Find the inverse of matrix

$$A = \begin{bmatrix} 1 & 2 & -2 \\ -1 & 3 & 0 \\ 0 & -2 & 1 \end{bmatrix}$$

- B) An automobile manufacturer makes cars and trucks in a factory that is divided into two shops A and B.

Shop A performs basic assembly operations and must work for 5 man-days on each truck and 2 man-days on each car.

Shop B performs finishing operations and has to work for 3 man-days on each truck and 3 man-days on each car.

Availability of man-days per week is 180 in shop A and 135 in shop B.

Manufacturer makes a profit of Rs. 25,000 on each truck and Rs. 20,000 on each car.

Form this LPP to maximize the profit per week (7)

OR

- C) If $A = \begin{bmatrix} 4 & 3 \\ 8 & 6 \end{bmatrix}$ and $B = \begin{bmatrix} 3 & 9 \\ -4 & -12 \end{bmatrix}$ then verify $(A+B)^2 = A^2 + B \times A + B^2$. (8)

- D) A person earned 7% profit by selling an article at Rs. 70,941. What would have been selling price if it was sold at a 2% loss. (7)

Q4.

- A) The following table gives the probability distribution of the return of two shares X and Y. Find the expected values and the total risk for both shares and comment. (8)

State of economy	1	2	3	4	5
Probability	0.10	0.15	0.25	0.30	0.20
Return of share X (%)	-4	-1	2	7	10
Return of share Y (%)	-2	0	3	6	8

- B) 10 bulls can plough 13 hectares of farmland in 7 days. How many bulls will be required to plough 117 hectares in 35 days? (7)

OR

- C) A portfolio P consists of two shares X and Y. The following table gives the probability distribution of the return of the two shares Find:

- Expected return from share X.
- Expected return from share Y.
- Total risk of share X.
- Total risk of share Y
- Covariance of return from share X and share Y

(8)

Economic condition	Probability	Return of share X(%)	Return of share Y(%)
High Growth	0.1	-3	-1
Low Growth	0.2	5	0
Stagnation	0.3	14	8
Recession	0.4	10	4

D) From the following information, calculate beta of security.

Year	1	2	3	4	5	6
Return on security (%)	20	18	23	15	10	26
Return on market Portfolio(%)	15	16	20	10	14	29

(7)

Q5. A) Explain briefly the concept of ratio, compound ratio, inverse ratio and continued ratio.

(08)

B) What are the problems in estimating the GDP of India? Elaborate

(07)

OR

C) Write short notes (Any 3):

(15)

- 1) Null and alternative hypothesis.
- 2) Types of matrices.
- 3) Different types of risk.
- 4) Duality in linear programming problem with an example.
- 5) Explain trade balance, capital account balance.

State of economy	1	2	3	4	5
Probability	0.10	0.15	0.25	0.30	0.20
Return of share X (%)	4	5	2	7	10
Return of share Y (%)	-2	0	3	6	8

Economic condition	Probability	Return of share X (%)	Return of share Y (%)
Recession	0.4	10	4
Stagnation	0.3	14	8
Low Growth	0.2	2	0
High Growth	0.1	-3	-1