

**Question Paper Set of**

**T.Y.B.A.F. – Sem-VI**

**Regular Exam**

**University of Mumbai**

**April, 2017**

*Munish Kumar*



[Time: - 2½ Hours]

[ Marks: 75]

Please check whether you have got the right question paper.

- N.B: 1. All questions are compulsory.  
2. Figures to the right indicate full marks.

1. A) State whether the following statements are True or False: (Any Eight) 08
- 1) Distribution of Income is unequal in India.
  - 2) Urbanization increases employment opportunities.
  - 3) Supply plays an important role in agricultural pricing.
  - 4) Small Scale Industries are very significant in India.
  - 5) Public sector enterprises contribute a major segment of industrial activity in the Indian economy.
  - 6) Healthcare Industry in India does not face any problem.
  - 7) FDI may not have any negative cultural impact.
  - 8) Medical tourism is one of the slowest growing segment in India.
  - 9) Price stability is the only objective of RBI's monetary policy.
  - 10) Capital Market does not contribute towards modernization of Industries.

- B) Fill in the Blanks (Any Seven) 07

- 1) The number of females per 1000 males is least in \_\_\_\_\_.  
a) Haryana                      b) Tamil Nadu                      c) Kerala
- 2) \_\_\_\_\_ system of taxation is used to reduce inequality.  
a) Regressive                      b) Progressive                      c) Proportional
- 3) NABARD stands for \_\_\_\_\_.  
a) National Bank for Agriculture and Rural Development  
b) National Agriculture Board for Rural Development  
c) National Board for Agriculture and Rural Development
- 4) Fourteen Private sector banks were nationalized in the year \_\_\_\_\_.  
a) 1969                      b) 1980                      c) 1955
- 5) Licensing system was \_\_\_\_\_ in the 1991 industrial policy.  
a) Established                      b) Abolished                      c) Reformed
- 6) The Insurance sector is regulated by \_\_\_\_\_.  
a) IRDA                      b) RBI                      c) SBI
- 7) Special Economic Zones are meant for \_\_\_\_\_.  
a) Export Promotion  
b) Import Substitution  
c) Balance of Payments
- 8) Certificate of Deposits are issued by \_\_\_\_\_.  
a) RBI                      b) Commercial banks                      c) RRBs

TURN OVER



9) Banking sector reforms in 1991 and 1998 were recommended by the \_\_\_\_\_

- a) Narisimham Committee
- b) Chakravarthy Committee
- c) Rangarajan Committee

10) Capital Market is regulated by \_\_\_\_\_.

- a) SEBI
- b) RBI
- c) IRDA

2. a) Explain the various Poverty Alleviation Programmes in Operation in India.

b) What are the causes of Unemployment in India?

OR

c) Discuss the major technological changes in Agricultural Sector

d) Explain the problems existing in the Indian Agricultural market.

3. a) Discuss the trends in Industrial growth during the post reforms period.

b) Explain the meaning and objectives of Disinvestment policy in India.

OR

c) What are the problems faced by small scale industries?

d) Explain the highlights of New Industrial Policy 1991.

4. a) Explain the nature and scope of Service Sector Industry.

b) Explain the important trends in healthcare Industry.

OR

c) Explain the meaning and role of MNCs.

d) Discuss the changes in Composition of India's Foreign Trade since 1991.

5. a) Outline the important features of Indian Money Market.

b) Bring out the changes in Operational Technology introduced in banking system.

OR

5. Write a note on (Any Three)

a) Role of Capital Market

b) SEBI

c) Profile of India's Population

d) Need for price policy

e) Objectives of SAARC



Q.2

The following is the extract from the balance sheet of Popular. Ltd.

Liabilities	As at 31.03.09 ₹ In Lakhs	As at 31.03.10 ₹ in Lakhs	Assets	As at 31.03.09 ₹ In Lakhs	As at 31.03.10 ₹ in Lakhs
Share capital	500	500	Fixed assets	550	650
General reserve	400	425	10% Investments	250	250
Profit & loss A/c	60	90	Stock	260	300
18% term loan	180	165	Debtors	170	110
Sundry creditors	35	45	Cash at bank	46	45
Provision for tax	11	13	Fictitious assets	10	8
Proposed dividend	100	125			
	1,286	1,363		1,286	1,363

Additional information:

- Replacement values of fixed assets were ₹ 1,100 lakhs on 31.03.09 and ₹ 1,250 lakhs on 31.03.2010 respectively.
- Rate of depreciation adopted on fixed assets was 5% p.a.
- 50% of the stock is to be valued at 120% of its book value.
- 50% of the investments were trade investment.
- Debtors on 31<sup>st</sup> March, 2010 included foreign debtors of \$ 35,000 recorded in the books at ₹ 35 per US Dollar. The closing exchange was \$1= ₹ 39.
- Creditors on 31<sup>st</sup> March 2010 included foreign creditors of \$ 60,000 recorded in the books at \$ 1= ₹ 33, the closing exchange rate was \$1= ₹ 39.
- Profit for the year 2009-2010 included ₹ 60 lakhs of government subsidy which was not likely to recur.
- ₹ 125 lakhs of research and development expenditure was written off to the profit & loss A/c in the current year. This expenditure was not likely to recur.
- Future maintainable profits (pre-tax) are likely to be higher by 10%.
- Tax rate during 2009-2010 was 50%, effective future tax rate will be 40%.
- Normal rate of return expected is 15%.
  - One of the directors of the company Arvind, fears that the company does not enjoy a goodwill in the prevalent market circumstances. Critically examine this establish whether Popluar show the leverage effect it has on the company's result.
  - Industry average return was 12% on long term fund and 15% on equity funds.

OR

Turn Over



6

Q.P. Code : 08473

4

Q.3

From the following trial balance as on 31st march 2015, prepare final account in the prescribed format as per applicable legal provision. (15)

**ASH WIN CHS LTD.**

**Trial balance**

Particular	Dr. ₹	Particular	Cr. ₹
1 shares of MDC Co-op bank	1,000	Collection from members	
		- Property expenses	6,42,475
		- Establishment expenses	8,72,686
1 share of MDCH Federation	100	Contribution to sinking fund	6,00,000
Audit fees	4,000	Dividend	60
Cash in banks	4,70,122	Entrance fees	2,760
Cash on hands	838	Interest - fixed deposits	2,15,500
Fixed deposits	21,55,836	Interest saving banks	7,802
Fixed deposits - sinking fund	8,61,942	Interest on Sinking Fund FD	1,34,121
Furniture and fittings	3,714	Members contribution for building	48,52,050
Insurances charges	35,590	<b>SHARE CAPITAL:</b>	
Land and building	48,52,050	280 shares of ₹ 50 each	14,000
Property tax and expenses	9,68,591	Sinking fund-opening	8,49,742
Salaries	34,181	Statutory Reserve Fund -opening	13,19,470
Security	1,30,202	Income & Expenditure A/c - opening	7,500
	<b>95,18,166</b>		<b>95,18,166</b>

**ADDITIONAL INFORMATION**

1. Authorized Capital is fully subscribed.
2. Collection for establishment expenses include advance from members. ₹ 2,68,118.
3. Depreciation ₹ 557 on Furniture and fitting.
4. Outstanding securities expenses ₹ 79,592.
5. Prepaid insurances expenses ₹ 15,533.
6. Due from members for property expenses ₹ 25,844.

**OR**

Q.3

The trial balance of Aarati Electric Supply Ltd. for the year ended 31st March, 2016 as below.

(15)

Particular	Dr. ₹ ('000)	Cr. ₹ ('000)
Share Capital :		
Equity Shares of ₹ 10 each		4688
7% Preference shares of ₹ 100 each		1406
Goodwill	234.75	
16% Debentures		2315.63
12% Term Loan		1434.38
Land	1167.19	
Building	3293.81	

Turn Over



- iv. Branch account in head office books shown an amount of ₹ 20,50,000.
- v. Closing stock \$ 21,500.
- vi. There were no transit items either at the start or at the end of the year.
- vii. Fixed assets were purchased in 2013 when the rate of exchange was ₹ 43 to one \$.
- viii. On 1st April 2015, the rate of exchange was ₹ 47 per \$. On 31st March 2016 the rate was ₹ 50 per \$. Average rate during the year was ₹ 45 to one \$.

Prepare:

- a) Converted trial balance
- b) Trading and Profit & Loss account 31st March 2016.
- c) Balance sheet as on that date.

OR

Q.4

Havels India Ltd. has built a power station and connecting lines during the year 2013-2014. The following (15) information are furnished.

- i. In the year 2013-14, the company incurred ₹ 2,50,00,000 towards purchase of materials and ₹ 19,25,000 for labour charges. The company also used the stores worth ₹ 35,00,000 from existing stock which was in the service station.
- ii. In the year 2016-17, Extension and Replacement was carried out to the power station at cost of ₹ 90,00,000 out of which ₹ 2,50,000 was used from existing stock for replacement purposes. The extent of replacement was estimated at 55% of original cost. The cost of material and wages has gone up by 60%.
- iii. In the process of extension and replacement the old material discarded worth ₹ 7,00,000. Out of the this material value ₹ 4,50,000 was used for extension purposes and balance not being used and sold for ₹ 2,00,000.

You are required to pass necessary journal entries in respect of above transaction for the year 2013-14 and 2016-17. All working should form part of your answer.

Q.5 (A) Explain objectives of IFRS -1. (08)

(B) Give classification of co-operative societies. (07)

OR

Q.5

Write short notes on (Any Three- 5 marks each) (15)

- a. Sinking fund of Co-operative housing society
- b. Benefits of adopting IFRS
- c. Features of Purchased and Non-purchased goodwill
- d. Grant under APDRP
- e. Yield value of share



2. M/s D & G Co., a partnership firm submits the following Profits and Loss Accounts for the year ended 31-03-2016.

Particulars	Rs.	Particulars	Rs.
To Cost of Goods sold	10,00,000	By Sales	15,00,000
To Income tax paid	20,000	By Dividend from Indian company	4,00,000
To Sundry expenses	20,000		
To Other expenses	70,000		
To Interest on partner's capital @15%	90,000		
To Remuneration to partners	1,00,000		
To Depreciation	25,000		
To Net Profit	5,75,000		
	19,00,000		19,00,000

Additional information:-

1. Other expenses includes Rs.25,000 not deductible under section 37.
2. Depreciation as per income tax Rs.30,000.
3. Sundry expenses includes Rs.5,000 paid for personnel expenses of partners.

Calculate the taxable income of the firm and tax liability for the A.Y. 2016-17

OR

2. M/s X & Y, a partnership firms submits the following Profit & Loss Account for the year ended 31-03-2016.

Particulars	Rs.	Particulars	Rs.
To Income tax	2,00,000	By Receipts from clients :	
To Expenses	4,00,000	-Audit fees	8,00,000
To Depreciation	1,00,000	-Other fees	9,00,000
To Remuneration to partners	4,00,000		
To Interest to partners' capital @18%	1,80,000		
To Net profit	4,20,000		
	17,00,000		17,00,000

Additional information:-

1. Expenses not deductible Rs. 80,000.
2. Unrecorded expenses Rs. 60,000.
3. Depreciation as per income tax Rs. 1,20,000.

Calculate the taxable income of the firm and tax liability for the A.Y. 2016-17.

3. Miss Anita is a resident individual submit the following information for the previous year ended 31-03-2016.

- (i) Income from business Rs.2,00,000
- (ii) Long term capital gain Rs.5,00,000
- (iii) Income from salary Rs.4,00,000
- (iv) Taxable income from house property Rs.1,00,000.
- (v) Income from speculative business Rs.1,50,000.
- (vi) Other details unabsorbed depreciation and brought forward loss are:  
Unabsorbed depreciation Rs.90,000.  
Loss from speculative business Rs.1,80,000.  
Short term capital loss Rs.1,60,000  
Unrealized rent Rs.80,000.

Find out the gross taxable income for the assessment Year 2016-17 applying provisions of set off and carry forward losses.



OR

3.

Mr. Ramesh submit the following information for the year ended 31-03-2016:

- Income from business Rs.40,00,000.
- Income from let out house property (Gross) Rs.2,80,000, (Municipal tax paid Rs.60,000)
- Income from other sources Rs.3,50,000.
- Contribution to Public Provident fund Rs.2,20,000.
- Tax deducted at source Rs.5,50,000.

Calculate advance tax liability for the assessment year 2016-17.

15

4.

Mr. John, aged 62 years, a model deriving income of Rs.60,00,000 from modeling performed outside India. Tax of Rs.9,00,000 deducted at source @15% in the country where the source were held. India does not have any agreement with that country for avoidance of double taxation. Indian income of Mr. John for the year 2015-16 Rs.25,00,000. He invested in LIC Rs.1,50,000. You are required to calculate total income and tax payable by Mr. John for A.Y. 2016-17 showing relief under section 91.

15

OR

Mr. Ram owns two house properties particulars of which as follows:-

15

Particulars	House I (SOP) Rs.	House II (LOP) Rs.
Municipal valuation	5,00,000	3,00,000
Fair valuation	4,50,000	3,50,000
Rent received		7,20,000
Municipal tax paid	25,000	50,000 (60% paid by tenant)
Interest on Loan (Loan taken before 01-04-99)	40,000	80,000

His other income as follows:-

- i) Dividend from Indian company Rs.50,000.
- ii) Interest income Rs. 2,90,000.
- iii) Dividend from co-operative bank Rs. 60,000.

He contributed Rs 50,000 for provident fund and he repaid Rs 80,000 housing loan principal amount. Calculate the net taxable income for the A.Y 2016-17 and tax liability of Mr. Ram.

- (a) Explain Double Taxation Relief.
- (b) Provisions of clubbing of income from minor child [Section 64 (1A)]

08

07

OR

Write short notes on any three of the following:-

15

- (a) Inter-head adjustment u/s 71
- (b) Defective return
- (c) TDS from commission or brokerage
- (d) Loss from House Property
- (e) Interest u/s 234A.



- N.B.**
- (1) All questions are compulsory.
  - (2) Working notes should form part of your answer.
  - (3) Use of simple calculator is permitted.

1. (A) Re-Write the following statements and fill in the blanks (any 8) :—

8

- (i) The concept of homemade dividends supports the argument for irrelevance of dividend policies in shareholders \_\_\_\_\_ maximisation.
- (ii) \_\_\_\_\_ studies the percentage relationship that each item of financial statement bears to same item in the base year.
- (iii) When the correlation co-efficient is greater than 0, it is \_\_\_\_\_ correlation.
- (iv) If the insiders starts selling heavily, it is considered as \_\_\_\_\_ indicator.
- (v) According to Prof. James E Walter in the long run share prices reflect only the \_\_\_\_\_ value of expected dividend.
- (vi) The \_\_\_\_\_ value of a bond is measured as the present value of all the future cash flows on the security.
- (vii) The candle stick chart is the modified version of \_\_\_\_\_ chart.
- (viii) \_\_\_\_\_ represents the market value of total assets of the mutual fund less total liabilities.
- (ix) \_\_\_\_\_ is a measure of performance of a particular share in relation to general movement of market.
- (x) \_\_\_\_\_ is the discounting rate which equates the present value of all future cash flows of a bond.

(B) Match the Column (any 7) :—

7

Column A	Column B
1. Yield to Maturity	A. Ratio Analysis
2. Beta	B. Bearish Indicator
3. P/E Ratio	C. Systematic Risk
4. Dividend Yield	D. Uses Chart
5. Fundamental Analysis	E. Bullish Indicator
6. Technical Analysis	F. DPS / MPS
7. Return on Investment	G. MPS / EPS
8. Return on Equity	H. NPBIT / Capital Employed
9. High Confidence	I. NPAT / Proprietor Equity
10. Buying High Grade Securities	J. IRR

[ TURN OVER ]



3. (A) From the following data on three mutual funds find out :

- Reward to Total Risk and
- Reward to Systematic Risk. Also Rank them

Fund	Return (%)	Standard Deviation (%)	Beta
Blue Chip	17	7	1.05
Pharma	18	6	1.25
Banking	13	8	0.85

Fact : Risk Free rate is 7%

(B) The following are the returns of Share (X) and Market (M) for the last 6 years :

Year	Return X (%)	Return M (%)
1	17	12
2	10	10
3	18	12
4	-8	-9
5	6	5
6	11	6

- What is the total risk of Share and Market ?
- How much is systematic risk of Share ?

OR

3. (A) Mr. Anik is planning for making investment in bonds of one of the companies i.e. either X Ltd. or Y Ltd maturing at par. The details of these are as follows :

Company	Face Value	Coupon Rate	Maturity Period
X Ltd.	₹ 10,000	6%	5 Years
Y Ltd.	₹ 10,000	10%	5 Years

The current market price of X Ltd.'s bond is ₹ 9,455/-. Find out current market price of Y Ltd.'s bond if both bonds have same Yield to Maturity (YTM).

(B) The earnings per share of a company is ₹ 10/- and the rate of capitalization applicable to it is 10%. The company has two option of paying dividend i.e. (i) 50% or (ii) 75%. Calculate the market price per share as per Walter's Model, if it can earn return of (a) 15% or (b) 10% or (c) 5% on its retained earnings.



4. From the information provided below prepare financial statements for LSK Ltd for financial year 2016-17 : 15

Current Assets	₹ 1,00,000
Sales	50% of Shareholders Fund
Working Capital	80% of Current Assets
Quick ratio	0.5 higher than standard industry ratio
Gross Profit	33 1/3 <sup>rd</sup> of Cost
Fictitious Assets	20% of Current Assets
Share holders Funds	10 times of Current Assets
Cash : Debtors	1:1
Share capital : Reserves and Surplus	3:2 (Net profit for current year comprises of 10% of Reserves and Surplus)

OR

5. (A) An Investors is considering the purchase of the following bond 8
- |                   |           |
|-------------------|-----------|
| Face Value        | ₹ 1,000/- |
| Coupon Rate       | 10%       |
| Maturity (at Par) | 4 Years   |
- (i) If he wants a yield of 12% what is the maximum price he should be ready to pay for ?  
(ii) If the bond is selling for ₹ 940/- what would be his yield ?

- (B) An investor has decided to invest ₹ 1,00,000/- in two companies. The estimates of return on shares in companies under four different scenarios as under : 7

Scenario	Probability	Akshay Ltd (%)	Salman Ltd (%)
1	0.20	13	16
2	0.25	14	10
3	0.25	-10	30
4	0.30	28	-4

Ascertain the risk associated with each class of the security ?

5. (A) What is Industry Analysis ? Explain various factors affecting industry analysis. 8  
(B) Discuss the determinants of bond valuation. 7

OR

5. Write short notes on (any three) :— 15
- Strategic Financial Planning
  - Importance of Ratio Analysis
  - Systematic and Unsystematic Risk
  - Modigliani & Miller approach
  - Risk Diversification.



14 BAF  
EXAM

B.A.F.

Q.P. Code :02728

[Time: 2 ¼ Hours]

[Mark: 75]

- Please check whether you have got the right question paper.
- N.B:
1. All questions are compulsory with internal choice
  2. Figures to the right indicate full marks.
  3. Working notes should be part of your answer
  4. Use of simple calculator is permitted

Q.1 A) Match the following (Any-08) [Rewrite the sentence]

- | Group "A"                     | Group "B"  |
|-------------------------------|--|
| 1) Labour efficiency Variance | A) Pre-determined cost   |
| 2) Imputed cost               | B) limiting factor   |
| 3) Profit                     | C) No Profit, No loss stage  |
| 4) Idle Time variances        | D) (standard Hours-Actual hours) X standard Rate                     |
| 5) Standard Cost              | E) Notional Cost   |
| 6) Marginal Cost              | F) Remains unchanged irrespective of the level of capacity or Volume |
| 7) Master Budget              | G) Contribution – fixed Cost   |
| 8) Fixed Budget               | H) Always Unfavourable   |
| 9) BEP                        | I) Prime cost + Variable overheads                                   |
| 10) key factor                | J) Summary of all Functional Budgets                                 |

- B) State whether the following statement is True/False & Rewrite the sentence (Any 07)
- 1) Variable overhead variance is a difference between standard overheads and actual overheads.
  - 2) In make or buy decision only Marginal cost is relevant
  - 3) P/V Ratio shows the relationship between contribution and sales.
  - 4) Budget is prepared for the future period.
  - 5) Cash Budget shows budgeted receipts & payments
  - 6) Excess of actual cost over standard cost is a favourable variance
  - 7) Decision to accept or reject export order depends on fixed cost only
  - 8) Under Marginal costing cost is classified on the basis of functions
  - 9) A budget is expressed in financial terms only.
  - 10) Variable Cost remains fixed irrespective of Level of Activity.

The sales and profits of two years were as follows

Year ending 31 <sup>st</sup> March	Sales Rs.	Profit Rs.
2016	4,00,000	40,000
2017	6,00,000	80,000

Calculate

- a) Profit-volume (P/V) Ratio
- b) Fixed Cost
- c) Break Even Point
- d) If the company wants to have a profit of Rs.15,000 what should be the level of sales?
- e) Profit when sales are Rs.7,80,000
- f) Revised BEP if Fixed Cost increase by 25%

OR



Q.2

A, B & C are three similar plants under the same management who want them to be merged for better operation.

The following particulars are available

Plant	A	B	C
capacity Operated	100 %	60%	40%
	Rs in lakhs	Rs in lakhs	Rs in lakhs
Turnover	300	300	80
variable Cost	180	210	60
Fixed	70	50	62

You are required to ascertain

- The capacity of the merged plant for break even
- The profit or loss at 80% capacity of merged plant
- The turnover from the merged plant to give profit of Rs 30 lakhs

Q.3

From the following information given prepare the budget for 80% level of activity

Level of activity	50%	60%
No of units	25,000	30,000
Direct Material Rs.	2,00,000	2,40,000
Direct Wages Rs.	75,000	90,000
factory overheads Rs.	2,00,000	2,05,000
Office and Administration Rs	3,00,000	3,00,000
Selling and Distribution Rs.	2,50,000	2,70,000

profit is 20% on Sales

OR

Q. 3

The following data is available of a manufacturing company for a year.

Fixed Expenses	Rs. "000"
Salaries and wages	1520
Rent, Rates and Taxes	1056
Depreciation	1184
Sundry Administration Expenses	1040

variable Expenses		Semi-Variable expenses	
At 50% Capacity	Rs. "000"	At 50% Capacity	Rs. "000"
Materials	3472	repairs and maintenance	580
Labour	3264	Indirect Labour	1294
Other expenses	1264	salesman salaries	608
		Sundry Administration Expenses	440

Semi - Variable expenses remain constant between 45% and 65% of capacity, increasing by 20 between 66% and 80% capacity and by 20% between 81% and 100% capacity.

Sales at various Level are	Rs. "000"
50% of Capacity	16000
60% of Capacity	19200
75% of Capacity	24000



90% of Capacity	28800
100% of Capacity	32000

Perpare a flexible budget for the year and forecast the profit at 50%, 75% and 100% of Capacity.

Q.4 from the following information about sales calculate:-

- Sales value Variance
- Sales Price Variance
- Sales Volume variance
- Sales Mixed Variance
- sales Quantity Variance

15

Product	Budgeted		Actuals	
	Units	Rate Rs.	Units	Rates Rs
X	25,000	10	48,000	11
Y	35,000	11	36,000	10
Z	40,000	12	36,000	13

OR

Q.4 From the data given below compute all Material variance

15

Product	Budgeted per unit		Actuals per unit	
	kg	Rate Rs.	kg	Rates Rs
L	5	20	7	22
M	8	30	5	28
N	7	40	8	41

- Q.5 A) State the steps involved in budgetary control system ?  
B) what are the benefits of Standard Costing

8

7

Q.5 Write short notes (Any 3)

OR

- Labour variance
- Break even chart
- Absorption Costing Vs. Marginal Costing
- Zero base budget
- Decision making in marginal costing

15



(19)

BAF / 20/04/17 DC

Q.P.Code: 07924

[Time: 2 ½ Hours]

[ Marks: 75]

Please check whether you have got the right question paper.

- N.B:
1. All questions are compulsory.
  2. All questions carry 15 marks each.
  3. Working note should form a part of your answer

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

(08)

- 1) In foreign currency transactions the exchange difference on settlement of liability for purchase of fixed assets is transferred to \_\_\_\_\_
  - Assets
  - Depreciation
  - Exchange difference
  - Profit and loss A/c
- 2) The exchange rate at the balance sheet date is known as \_\_\_\_\_
  - Average Rate
  - Closing Rate
  - Non-monetary Rate
  - Monetary Rate
- 3) A limited Liability Partnership whose contribution exceeds \_\_\_\_\_ is required to annually get its accounts audited by any Chartered Accountant in practice.
  - 40 lakh
  - 1 lakh
  - 25 lakh
  - 50 lakh
- 4) LLP is governed by \_\_\_\_\_
  - Partnership Act, 1932
  - Companies Act, 1956
  - Limited Liability Partnership Act, 2008
  - None of the above
- 5) When the rights are sold (without subscribing) \_\_\_\_\_
  - Sale proceeds are credited to the Investment Account
  - Sale proceeds are debited to the Investment Account
  - No entry is made in the investment Account; and Sale proceeds are credited to the Profit & Loss Account
  - None of the above
- 6) The cost of Right shares is \_\_\_\_\_
  - Added to the cost of investments
  - Subtracted from the cost of investments
  - No treatment is required
  - None of the above



7) Schedule 4 of banking final account represent as \_\_\_\_\_

- Borrowing
- Other Liabilities
- Reserve
- Deposits

8) Schedule 9 of banking final account represents as \_\_\_\_\_

- Advances
- Other Assets
- Balance with Banks & money at call & short notice
- Cash & Balances with RBI

9) Form B-PL under insurance company represents \_\_\_\_\_

- Revenue statement
- Changes in unexpired risk
- Profit & loss account
- Balance sheet

10) Schedule 1 under B-RA of insurance company represents \_\_\_\_\_

- Commission
- Premium Earned
- Operating expenses
- Borrowing

1 (B) Match the column (any 7)

(07)

1	Reporting Currency	a	Advances
2	Current investments valuation	b	Other assets
3	Spot rate	c	Currency used in presenting the financial statements
4	Weighted Average	d	Market Value
5	100% reserve for unexpired risk	e	Current rate Prevailing in market
6	Annual return to be file by LLP with Registrar	f	Sale of investment
7	Cash Credits, Overdrafts & Loans payable on Demand	g	Within 60 days from end of financial year
8	Inter-Office Adjustments (net)	h	Schedule 1
9	LLP Agreement	i	The person whose risk is insured
10	Insured	j	Marine Insurance



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Q.P.Code: 07924

The following is trial balance of DJ bank Ltd Prepare Balance Sheet as on 31-3-2016. (15)

Particular	Dr. (Rs. In thousand)	Particular	Cr. (Rs. In thousand)
Cash in hand	120	Share cap. Of 100 each, '50 called	500
Cash with RBI	200	Reserve fund	1300
Cash with other banks	300	Dividend equalization reserve	200
Money at call	50	Profit & Loss on 31/3/2015	500
Investment in Govt securities	150	Current accounts	80
Shares and Debentures	50	Savings Bank deposits	300
Gold	300	Fixed deposits	800
Silver	50	Recurring Deposit	200
Loans	1890	Borrowings	600
Bills discounted	300	Branch adjustment	20
Fixed Assets (at cost)	2000	Unclaimed dividend	10
Fixed assets acquired in Satisfaction of claim	60	Unpaid dividend	30
Advance Tax	20	Proposed Dividend	50
Tax deducted at source	10	Provision for tax	30
Accrued interest	70	Unexpired Discount	50
		Bills Payable	40
		Accrued Interest	40
		Provision for Depreciation	800
		Reserve for doubtful debts	20
	5570		5570

**Other Information:**

1. Bills for collection Rs. 2,00,000
2. A claim by employees for bonus amounting to Rs. 15,000 is pending award of arbitration
3. Liability for partly paid investments Rs. 20,000
4. Guarantees given on behalf of constituents Rs. 25,000

OR

- 2 Vaibhav had entered into the following transactions in foreign currency during the year ended 31<sup>st</sup> March 2016. You are requested to write up the Foreign Exchange Difference Account in the ledger for the year ended 31-3-2016. (15)

Date	Particulars
10-06-2015	Goods worth \$15,000 imported to K of Korea
20-06-2015	Payment made to K of Korea \$ 15,000
16-08-2015	Raw Material exported worth \$ 5,10,000 from C of China
31-08-2015	Payment received from C of China \$ 10,000
10-10-2015	Payment made to SA of South America \$30,000 as advance.
15-10-2015	Goods worth \$30,000 imported SA of South America
03-11-2015	A machine worth \$15,000 imported from UK industries of UK
15-11-2015	Goods purchased amounted to \$ 7,500 from N Ltd Norway
15-12-2015	Payment made \$ 7,500 to N Ltd Norway
15-01-2016	Exported goods to Gurkha industries of Nepal worth \$ 5,000
	Payment is outstanding as on 31-3-16.
15-03-2016	Imported machinery worth \$ 15,000 from CK of Canada.



Payment is outstanding as on 31-3-16

The exchange rate for \$ 1 during the year was as follows:

Date	Exchange Rate (Rs.)	Date	Exchange Rate (Rs.)	Date	Exchanged Rate (Rs.)
15-12-15	48.40	10-10-15	48.75	10-6-15	46.75
15-01-16	49.00	15-10-15	49.00	20-6-15	46.50
15-03-16	49.50	03-11-15	48.60	16-8-15	48.00
31-03-16	50.00	15-11-15	48.70	31-8-15	48.50

Prepare a Revenue A/c respected of Fire business from the following details for the year 2015-2016

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Rs.	Particular
18,00,000	Reserve for Unexpired Risk on 1.4.2015@50%
3,60,000	Additional reserve
3,10,000	Estimated Liability for claims intimated on 1.4.2015
4,20,000	Estimated Liability for claims intimated on 31-3-2016
36,50,000	Claims paid
60,000	Legal Expenses
3,10,000	Re-insurance Recoveries (ceded)
40,000	Miscellaneous Expenses
8,000	Bad Debts
48,60,000	Premium recovered
3,20,000	Premium on re-insurance accepted
4,30,000	Premium on re-insurance ceded
4,86,000	Commission of direct business
16,000	Commission on re-Insurance accepted
21,000	Commission on re-Insurance ceded
9,00,000	Expenses on Management
240,000	Interest, Dividend and Rent (cr.)
30,000	Profit on sale of investment

Calculate Reserve on 31<sup>st</sup> March 2016 to the same extent as on 1<sup>st</sup> April 2015

OR

Changu & Mangu are partners sharing profit and losses equally in LLP in business From the following (15) Trial Balance and adjustments you are required to prepare a Trading A/c, Profit and Loss A/c for the year ended on 31st March, 2015 and Balance sheet as on that date :

Debit Balances	Amount	Credit Balances	Amount
Carriage	2,000	Capitals	
Opening Stock	30,760	Cangu	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		
	<b>2,31,800</b>		<b>2,31,800</b>

## Adjustments:

1. Outstanding wages Rs. 400
2. Provide depreciation at 10% p.a. on Building and Motor Van.
3. Accrued interest on investment Rs. 360
4. Provide 5% R.B.D.D. on Debtors
5. Stock at 31<sup>st</sup> March, 2015 was Market Value Rs. 40,000; Cost Price Rs. 50,000.

**Q4** Man Investment furnishes the following details regarding its holding in 6% National Defence Bonds of (15)  
Rs. 100/- each

Opening Balance on 01.04.2015 F.V. Rs. 70,000/- Cost Rs. 68,000/-

On 01.07.2015 – 100 units were purchased ex-interest @ Rs.98/-

On 01.10.2015-200 units were purchased ex-interest @ Rs.99/-

On 01.01.2016 -300 units were sold cum-interest @ Rs.102/-

On 01.03.2016 – 50 units were purchased cum-interest @ Rs. 101/-

Interest is paid every year on 30<sup>th</sup> September and 31<sup>st</sup> March. Man Investment closes books on 31<sup>st</sup> March every year Prepare Investment A/c

OR

**Q.4** On 1<sup>st</sup> April 2016 Sam held 25,000 fully paid equity shares of Rs.10 each in Lambar Ltd., at a book value of Rs.15 per share. On 20<sup>th</sup> June, 2016 he purchased another lot of 5,000 shares of the company at Rs. 16 per share. Lambar Ltd announced at bonus issue and rights issue, the following being the terms: 15

Bonus issue in the ratio of 1:6 (Record date 16.8.2016)

Rights issue in the ratio of 3:7 (Record date 31-8-2016)

The rights shares were issued at Rs.15 per share and the full amount was payable by 30<sup>th</sup> September 2016. Shareholders were entitled to transfer their rights in full or in a part. Accordingly, Sam sold one-third of his entitlement to another person for a consideration of Rs. 3 per share on 5<sup>th</sup> September 2016. Dividends for the year ended 31<sup>st</sup> March, 2016 @ 20% were declared by Lambar Ltd and received by Sam on 31<sup>st</sup> October, 2016. Dividends for shares acquired by Sam on 20<sup>th</sup> June, 2016, were adjusted against the cost of purchase. On 15<sup>th</sup> November 2016 Sam sold 25,000 shares @ Rs.15 share. You are required to prepare in the books of Sam: Investment in Equity Shares in Lambhar Ltd., Assume that the books are closed on 31<sup>st</sup> March 2017

**Q.5 i)** Explain in Detail Reserve for unexpired risk as special item in Insurance final account 07

ii) State in Brief Statutory provisions for Limited Liability Partnership 08

**Q.5** Short notes (Any 3) 15

1. Non-performing assets
2. Fire insurance
3. weighted average method under Investment accounting
4. Monetary item under AS 11
5. Rights of Designated Partner