

Branches:- Kandivali (E) Near Station Thakur Village Kandivali (W) Mahavir Nagar**A.1 A Choose correct alternative & rewrite the statement. (Any 8)**

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

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- 7** Schedule 4 of banking final account represent as _____.
- a) **Borrowing**
 - b) Other Liabilities
 - c) Reserve
 - d) Deposits
- 8** Schedule 9 of banking final account represent as _____.
- a) **Advances**
 - b) Other Assets
 - c) Balance with Banks & Money at call & short notice
 - d) Cash & Balances with RBI
- 9** From B-PL under insurance company represents
- a) Revenue Statement
 - b) Changes in unexpired risk
 - c) **Profit & Loss account**
 - d) Balance sheet
- 10** Schedule 1 under B-RA of insurance company represents _____.
- a) Commission
 - b) **Premium Earned**
 - c) Operating expenses
 - d) Borrowing

B Match the column (Any 7)

Column A	Column B
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

[Ans: (1 - c); (2 - d); (3 - e); (4 - f); (5 - j); (6 - g); (7 - a); (8 - b); (9 - h); (10 - i)]

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A.2 **Rs in '000**

Balance Sheet of DJ Bank Limited As on 31st March 2016		
Particulars	Schedule	₹
Capital	1	500
Reserves & Capital	2	2,000
Deposits	3	1,380
Borrowings	4	600
Other Liabilities & Provisions	5	260
Total		4,740 1 mk
Assets		
Cash & balance with Reserve Bank of India	6	320
Balance with Banks & Money at call & short notice	7	350
Investments	8	550
Advances	9	2,190
Fixed assets	10	1,200
Other assets	11	130
Total		4,740 1 mk
Contingent Liabilities	12	60
Bills for collection		200

Schedule 1- Capital	
Authorized/Issued/Subscribed Capital	???
Issued and Subscribed Capital	
10,000 equity shares of Rs. 100 each	1,000
Called-up capital	
10,000 equity shares of Rs. 100 each, 50 paid up	500 1/2 Mk

Q.3.

Schedule 2- Reserves & Surplus	
Opening Balance	1,300
Dividend Equilisation Resrve	200
V. Balance in Profit & Loss account	500
Total	2,000 1 Mk

Branches:- Kandivali (E) Near Station Thakur Village Kandivali (W) Mahavir Nagar

Schedule 3 - Deposits	
A. I. Demand Deposits	
(a) From Banks	
(b) From Others	80
II. Savings Bank Deposits	300
Recurring Deposits	200
III. Term Deposits	
(a) From Banks	
(b) From Others	800
Total (I+II+III)	1,380
B. (i) Deposits of Branches in India	1,380
(ii) Deposits of Branches outside India	
Total	1,380

1 Mk

Schedule 5. Other Laibilities & Provisions	
Inter-office Adjustments (Net)	20
Unclaimed Dividedn	10
Unpaid Dividend	30
Proposed Dividend	50
Unexpired Discount	50
Bills Payable	40
Accrued Interest	40
Reserve for Doubtful Debts	20
Total	260

1/2 Mk

Schedule 6-Cash & Balance with Reserve Bank of India	
I. Cash in hand(including Foreign Currency Notes)	120
II. Balances with RBI-(i) in Current Account	200
Total (I+II)	320

1/2 Mk

Schedule7- Balances with Banks & Money at call &	
short Notice	
I. In India	
(i) Balances with Banks	
(a) in current Accounts	
(b) in Other Deposit Accounts	300
(ii) Money at Call and Short Notice	50
Total	350
II. Outside India	Nil
Grand Total (I+II)	350

1/2 Mk

Branches:- Kandivali (E) Near Station Thakur Village Kandivali (W) Mahavir Nagar

Schedule 8- Investments		₹ (000)
I. Investments in India in		
Govt Securities		150
Shares and Debentures		50
Gold		300
Silver		50
Total		550
II. Investments Outside India		
Grand Total (I+II)		550

1/2 Mk

Schedule 9- Advances		
A. (i) Bills Purchased & Discounted		
		300
(ii) Cash credits, Overdrafts & Loans Repayable on Demand		
		1,890
Total		2,190

1/2 Mk

Schedule 10- Fixed Assets		
Fixed Assets AT Cost	2000	
Less Accumulated Depreciation	(800)	1,200
Total		1,200

1 Mk

Schedule 11- Other Assets		
Fixed Assets acquired in satisfaction of claim		60
Advance Tax	20	
Add: TDS	10	
Less: Provision for tax	(30)	-
Accrued Interest		70
Total		130

1/2 Mk

Schedule 12- Contingent Liabilities		
Claim by Employee for Bonus		15
Partly Paid Investment		20
Gurantees on behalf of customers		25
Total		60

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A.2 OR

Journal Entries in the books of Vaibhav			
Date	PARTICULARS	Amt.	Amt.
2015			
10-Jun	Purchase A/c (15,000 \$ @ 46.75) To K of Korea A/c	701,250	701,250
20-Jun	K of Korea A/c To Cash/Bank A/c (15,000 \$ @ 46.5) To Foreign Exchange fluctuation A/c (15,000 \$ @ 0.25)	701,250	697,500 3,750
16-Aug	C of China A/c To Sales A/c (5,10,000 \$ @ 48)	24,480,000	24,480,000
31-Aug	Cash/Bank A/c (10,000 \$ @ 48.5) To C of China (10,000 \$ @ 48) To Foreign Exchange fluctuation A/c (10,000 \$ @ 0.5)	485,000	480,000 5,000
10-Oct	SA of South America A/c To Cash/Bank A/c (30,000 \$ @ 48.75)	1,462,500	1,462,500
15-Oct	Purchase A/c (30,000 \$ @ 49) To SA of South America A/c	1,470,000	1,470,000
15-Oct	SA of South America A/c To Foreign Exchange fluctuation A/c (30,000 \$ @ 0.25)	7,500	7,500
03-Nov	Machinery A/c To UK Industries A/c (15,000 \$ @ 48.6)	729,000	729,000

Branches:- Kandivali (E) Near Station Thakur Village Kandivali (W) Mahavir Nagar

15-Nov	Purchase A/c (7,500 \$ @ 48.70) To N of Norway A/c	365,250	365,250
15-Dec	N of Norway A/c To Cash/Bank A/c (7,500 \$ @ 48.5) To Foreign Exchange fluctuation A/c (7,500 \$ @ 0.25)	365,250	363,750 1,500
2016			
15-Jan	Gukhha Industries Nepal A/c To Sales A/c (5,000 \$ @ 49)	245,000	245,000
15-Mar	Machinery A/c To C of Canada A/c (15,000 \$ @ 49.5)	742,500	742,500
31-Mar	C of China A/c To Foreign Exchange fluctuation A/c (5,00,000 \$ @ 2)	1,000,000	1,000,000
31-Mar	Foreign Exchange fluctuation A/c (15,000 \$ @ 1.4) To UK Industries A/c	21,000	21,000
31-Mar	Gukhha Industries Nepal A/c To Foreign Exchange fluctuation A/c (5,000 \$ @ 1)	5,000	5,000
31-Mar	Foreign Exchange fluctuation A/c (15,000 \$ @ 0.5) To C of Canada A/c	7,500	7,500
31-Dec	Foreign Exchange fluctuation A/c To Profit & Loss A/c	9,95,000	9,95,000

Branches:- Kandivali (E) Near Station Thakur Village Kandivali (W) Mahavir Nagar

Foreign Fluctuation Account					
Date	Particulars	Amt.	Date	Particulars	Amt.
31-Dec	To UK Industries A/c	21,000	20-Jun	By Korea A/c	3,750
31-Mar	To Canada A/c	7500	31-Aug	By Bank A/c	5,000
			15-Oct	By South America	7,500
			15-Dec	By Norway A/c	1,500
			31-Mar	By Gukhha Industries A/c	5,000
31-Mar	To Profit /Loss A/c	994,250	31-Mar	By China	1,000,000
		1,022,750			1,022,750

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A.3

IN THE BOOKS OF FIRE INSURANCE CO. LTD.		
Revenue account for the year ended 31st March		
Particulars	Sch no.	31-03-16
Premiums earned (net)	1	4,060,000
Profit on sale of investment		30,000
Others (Interest on Income tax refund)		
Interest, Dividend		240,000
Total (A)		4,330,000
Claims incurred (net)	2	3,450,000
Commission	3	481,000
Operating expenses related to insurance business	4	1,008,000
Total (B)		4,939,000
Profit /loss from Marine/fire insurance business		(609,000)

2 Mk

2 Mk

Sch 1. Premiums	2015-16
Direct Business	4,860,000
Add: Reinsurance accepted	320,000
Less: Reinsurance Premium ceded	(430,000)
Net Premium	4,750,000
Less: Changes in Reserve for unexpired risk	(690,000)
Total	4,060,000

3 Mk

Working Note: Changes in Reserve for unexpired risk			
	Normal	Additional	Total
Opening Reserve	1,800,000	360,000	2,160,000
Less: Closing Reserve	(2,375,000)	(475,000)	(2,850,000)

Branches:- Kandivali (E) Near Station Thakur Village Kandivali (W) Mahavir Nagar

Changes in Reserve for unexpired risk			(690,000) 2 Mk

Sch 2. Claims	2015-16
Paid - Direct Business	3,650,000
Add: Accepted	-
Less: Ceded	(310,000)
	3,340,000
Add: Outstanding at the end	420,000
Less: Outstanding at the beginning	(310,000)
Net Claims Incurred	3,450,000

3 Mk

Sch 3. Commission	2015-16
Direct Business	486,000
Add: Accepted	16,000
Less: Ceded	(21,000)
Total	481,000

1 Mk

Sch 4. Operating Expenses	2015-16
Expenses on Management	900,000
Legal Expenses	60,000
Other Expenses:	
- Miscellaneous expenses	40,000
- Bad debts	8,000
- Depreciation	
Total	1,008,000

2 Mk

Branches:- Kandivali (E) Near Station Thakur Village Kandivali (W) Mahavir Nagar

A.3 Statement of Income & Expenditure of Changu & Mangu [LLP]			
For the period From 1-4-2014 to 31-3-2015			
Particulars	Rs	Rs	Rs
I. Income			
1 Turnover	92,000		
Less: Sales Returns	-	92,000	
2 Other Income (Specify)			
Commission	4,000		
Interest	4,200		
Add: Accrued Interest	360		
	-	8,560	
3. Increase/(Decrease) in Stocks			
Closing Stock	40,000		
Less: Opening stocks	(30,760)	9,240	
TOTAL INCOME			109,800 3 mk
II. Expenses			
1. Purchase & Direct Expenses			
Gross	60,250		
Less: Returns Outward	(3,800)		
	56,450		
Carraige	2,000		
Motive Power	4,500		
		62,950	1 mk
2. Personal Expenses			
Wages	1,000		
Add: Outsatnding Wages	400		
Salaries	4,000		
		5,400	1 mk
3. Administrative Expenses			
4. Selling Expenses			
Discount		500	1 mk
Bad Debts		1,920	
5. Depreciation			
Depreciation on Building	3,400		
Depreciation on Van	2,800	6,200	1/2 mk
6. Interest		750	1/2 mk
7. Other Expenses (to specify)			
Reserve for DD Opening		1,000	1/2 mk
TOTAL EXPENSES			78,720
III. Profit before Taxes			31,080
IV. Provision for Tax			NIL
V. Profit after Tax			31,080
VI. Profit transferred to Partner's Account			
Changu (1/2)	15,540		
Mangu (1/2)	15,540		31,080 1/2 mk
VII. Profit transferred to Reserves & Surplus			NIL

Branches:- Kandivali (E) Near Station Thakur Village Kandivali (W) Mahavir Nagar

Statement of Assets & Liabilities of D & R [LLP] as at 31-3-2015			
Particulars	Rs	Rs	Rs
I. CONTRIBUTION AND LIABILITIES			
1. Partner's Funds			
(a) Contribution			
Changu			
Balabce b/d	60,000		
Add: Net Profit	15,540		
Less: Drawings	(2,800)	72,740	
Mangu			
Balance b/d	40,000		
Add: Net Profit	15,540		
Less: Drawings	(3,200)	52,340	
			125,080
			2 mk
(b) Reserves & Surplus			
2. Liabilities			
(a) Secured Loans		-	
(b) Unsecured Loan		-	
(c) Short term Loans		-	
(d) Creditors/ Tarde Payables			
Sudry Creditors		27,400	
Outstanding Salary		400	
Outstanding Wages		400	28,200
			1 mk
(e) Other Liabilities (to specify)			
(f) Provisions			
			-
			-
TOTAL			153,280

II. ASSETS			
(a) Fixed Assets			
Building	34,000		
Less : Depreciation	(3,400)	30,600	
Machinery		10,000	1 mk
Motor Van	28,000		
Less: Depreciation	(2,800)	25,200	65,800
			1 mk
(b) Investments			
Add: Accrued Int on Investment		12,000	1/2 mk
		360	12,360
(c) Loans & Advances			
(d) inventories			
			40,000
			1/2 mk
(e) Debtors/ Trade Receivables			
Debtors	20,000		
Less: Reserve for D.D. @ 3%	(1,000)		19,000
			1/2 mk
(f) Cash & cash Equivalentents			
Cash in hand			16,120
			1/2 mk
(g) Other Assets (to specify)			
			NIL
TOTAL			153,280

Branches:- Kandivali (E) Near Station Thakur Village Kandivali (W) Mahavir Nagar

A.4

In the books Man Investment A/c											
6% National Defence Bonds											
Date	Particulars	W.N.	Face Value	Interest	Cost	Date	Particulars	W.N.	Face Value	Interest	Cost
2015						2015					
01-Apr	To Balance b/d		70,000	-	68,000	30-Sep	By Bank A/c	2	-	2,400	-
01-Jul	To Bank A/c	1	10,000	150	9,800						
01-Oct	To Bank A/c	3	20,000	-	19,800	2016					
2016						01-Jan	By Bank A/c	4	30,000	450	30,150
01-Jan	To Profit & Loss A/c	4			870	31-Dec	By Bank A/c	6	-	2,250	-
01-Mar	To Bank A/c	5	5000	125	4,925	31-Mar	By Balance c/d		75,000	-	73,245
31-Mar	To Profit & Loss A/c		-	4,825							
			105,000	5,100	103,395				105,000	5,100	103,395

Branches:- Kandivali (E) Near Station Thakur Village Kandivali (W) Mahavir Nagar

Timeline

2015		W.N. 5	
01-Apr Opening Balance	0	01-Mar Purchase (cum interest)	
01-Jul Purchase	3m	2016 50 units @ 101	5,050
30-Sep Interest	6m	(-) Int. [5000*6%*5/12]	125
01-Oct Purchase	0	Ex Interest Price	4,925
2016			
01-Jan Sales	3m	W.N. 6 Interest [75,000*6%*6/12]	
01-Mar Purchase	5m		2,250
31-Mar Interest	5m		
W.N.1		W.N.4 Sale on Cum interest basis	
01-Jul Purchase		01-Jan 300 units @ 102	30,600
100 units @ 98		2016 (-) Interest [30,000*6%*3/12]	450
9800		Ex-Interest Price	30,150
Interest = [10,000*6%*3/12]		(-) Cost 1,00,000	97,600
150		30,000	29,280
		Profit on Sale	870
W.N.2 Interest			
30-Sep 80,000*6%*6/12			
2,400			
W.N.3 Purchase			
01-Oct 200 units @ 99			
19,800			

Branches:- Kandivali (E) Near Station Thakur Village Kandivali (W) Mahavir Nagar

A.4

In the books of Sam									
Investment in Equity shares of Lambar Ltd.									
Date	Particulars	W.N.	N V	Cost	Date	Particulars	W.N.	N V	Cost
2016					2016				
01-Apr	To Balance B/d		250,000	375,000	25-Oct	By Bank A/c (Dividend)	3		10,000
11-Jun	To Bank A/c		50,000	80,000	15-Nov	By Bank A/c	4	250,000	375,000
08-Aug	To Bonus	1	50000	-					
28-Sep	To Bank A/c (Rights)	2	100000	150,000					
31-Mar	To Profit & Loss A/c (tfd)	4	-	44,444	31-Mar	By Balance c/d		200,000	264,444
			450,000	649,444				450,000	649,444

W.N

1	Bonus Share	Held	Bonus
		6	1
	No. of Bonus Shares	30,000	??
			5,000
2	Right Share	Held	Rights
		7	3
	No. of Rights Shares	35,000	??
			15,000
		1/3rd Sold	2/3rd Purchase
		5,000	10,000
		*3	
		15,000	
		Cr. To P/L A/c	

3	Dividend	
	Total Shres Held	45,000
	(-) Bonus Shares	5,000
	(-) Right Shares	10,000
	Shares for Dividend	30,000
		25,000
		*2
		50,000
	Post Cr. To P/L A/c	
		5,000
		*2
		10,000
	Pre	

4	Sale Value		375,000
	Less: Cost	450,000	595,000
		250,000	?
	On Sale		44,444