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SUBJECT CODE NO: - X-3040
FACULTY OF COMMERCE & MANAGEMENT
B.Com T.Y (Sem. V)
Examination March / April - 2023
Advanced Financial Accounting-I

[Time: 3:00 Hours]

[Max. Marks: 80]

Please check whether you have got the right question paper.

N. B

- 1) Question No. 1 is compulsory.
- 2) Solve any four questions from remaining Q No. 2 to Q. No. 7

- Q1 A) Select the most appropriate answer. 05
1. In single entry system it's difficult to detect.
 - a) Account b) Fraud c) Profit d) Gross Profit
 2. The Banking Regulation Act-
 - a) 1949 b) 1947 c) 1932 d) 1956
 3. Single entry contributes in complete records rather than single entry.
 - a) Credit b) Profit c) Accounting d) Net Profit.
 4. _____ clause is applicable in case of under insurance.
 - a) Average b) Normal c) short sales d) Individually
 5. It is assumed that investment purchased first are sold! First.
 - a) LIFO c) valuation of closing investment by FIFO
 - b) FIFO d) Investment Account
- B) Answer in one sentence or word 05
1. Current investment are value at _____.
 2. Cost of bonus share is _____
 3. Accepting + Advancing = _____
 4. Banking company cannot pay dividend until its capital expenses have been completely written off _____
 5. Expenses and incomes which relate to a particular type of business.
- C) Fill in the Blanks. 05
1. _____ System of book-keeping is the only Scientific Method to record Farming records.
 2. Under pure single entry system only _____ Accounts.
 3. Banking companies in India are govt. by _____.
 4. In order to prompt recording of transactions bank adopt the slip system of _____.
 5. The interest _____ is calculation the closing balance of investment
- D) True or False. 05
1. Computer account system is single entry as well as double entry system.
 2. Credit balance of Profit and Loss A/c shows Net profit.
 3. Balance sheet is the base of Nominal Account.
 4. Trial Balance is the base of Final Account.
 5. Life Insurance Business is carried on by Life insurance Corporation of India Since 1956.

Q2 Mr. Anant maintains his book by single entry System. His cash book for the year ended 15 31st March-2020 as Follows

| Receipt | RS. | Payments | RS. |
|------------------------|--------|--------------------------|--------|
| To Balance b/d | 12,300 | By Investment | 2,000 |
| To cash sales | 8,700 | By Anant's Drawing | 6,500 |
| To Debtors | 35,700 | By purchase | 7,300 |
| To Bills receivable | 15,300 | By Creditors | 28,900 |
| To Interest | 1,500 | By Bills Payable | 7,500 |
| To Anant's capital A/c | 10,000 | By wages | 17,300 |
| To Balance c/d | 3,730 | By Carriage inward | 1,350 |
| | | By postage | 550 |
| | | By Salaries | 12,000 |
| | | By Rent & Taxes | 930 |
| | | By Insurance | 700 |
| | | By Printing & stationery | 2,200 |
| | 87,230 | | 87,230 |

Particulars of Assets and Liabilities as follows

| Particulars | 1.4.2019 | 31.03.2020 |
|---------------------|----------|------------|
| Investment | 15,000 | 17,000 |
| Stock | 13,700 | 29,300 |
| Debtors | 21,000 | 25,000 |
| Bills Receivable | 14,000 | 18,000 |
| creditors | 31,000 | 29,000 |
| Bills Payable | 7,000 | 9,000 |
| plant and Machinery | 45,000 | 42,500 |
| Furniture. | 3,500 | 3100 |

Other Information

1. credit sales Rs. 59,000
2. Bills Receivable received from Debtors Rs. 19300.
3. Credit purchase Rs. 36.400.
4. Bills payable issued to creditors Rs. 9500.
5. Capital balance as on 1.4.2019 Rs.86.500.

Adjustments.

1. A provision of Rs. 1250 was necessary on debtors for doubtful debts.
2. Outstanding Wages Were Rs. 1500 and outstanding salary was Rs. 700.
3. Insurance was paid for one year, ending on 30th Sept. 2020
4. An Advertising bill was payable amounting to Rs. 400.

Prepare Trading and profit Loss Account For the year ended 31st March-2020 and Balance sheet as on that date of Mr. Anant.

Q3 From the information given below prepare Revenue Accounts and profit and Loss Account of the Maharashtra Insurance company Ltd. For the year ended on 31st December – 2021

15

| | |
|--|-----------|
| claims Paid: | |
| Marine | 4,00,000 |
| Fire | 3,20,000 |
| Commission: | |
| Marine | 2,20,000 |
| Fire | 2,40,000 |
| Expenses : | |
| Marine | 4,20,000 |
| Fire | 4.10,000 |
| General Expenses | 3,00,000 |
| Reserves for unexpired Risk on 1.1. 21. | |
| Marine | 12,00,000 |
| Fire | 5,00,000 |
| Additional Reserves on 1. 1. 2021 | |
| Fire | 2,00,000 |
| Premims: | |
| Marine | 15,00,000 |
| Fire | 14,00,000 |
| Claims un pain on 1.1.2021. | |
| Marine | 60,000 |
| Fire | 50,000 |
| Interest on Investment claims outstanding on 31.12.2021. | |
| Marine | 50,000 |
| fire | 50,000 |

Additional Information:

1. A Taxation Reserve of Rs. 60,000 is required.
2. Increase Additional Reserve by Rs. 40,000
3. Depreciate premise by Rs. 50,000 and Furniture by Rs. 10,000
4. Provide For unexpired risk at 50% on the net premiums For Fire business and at 100%. For marine business.

Q4 From the Following information, prepare profit & Loss Account of TARA BANK LTD" 15
For the year ended 31st March. 2020

| Particulars | Rs. |
|---|-----------|
| Interest on Loans | 25,90,000 |
| Interest on Fixed (term) Deposits | 27,50,000 |
| Rebate on Bills Discounted | 4,90,000 |
| Commission | 82,000 |
| Salaries and Allowances | 5,40,000 |
| Discount on Bills discounted (Net) | 14,60,000 |
| Interest on cash credits | 22,30,000 |
| Interest on current (Demand) Deposit. Accounts- | 4,20,000 |
| Rent and Rates | 1,80,000 |
| Interest on overdrafts | 15,40,000 |
| Directors Fees | 30,000 |
| Auditors Fees | 12,000 |
| Interest on saving Bank Deposits | 6,80,000 |
| Postage and Telegrams | 14,000 |
| Printing and stationery | 29,000 |
| Sunday Expenses | 17,000 |

Other Information:

1. Bad debts provisions to be made Rs. 4,00,000
2. Provision for taxation to be made @ 55%

Q5 The Bank of India Ltd. gives the Following particulars of their Investments in 12% Government of India Loan: 15

1. Purchas of the Face Value of Rs. 1,05,000 ex-interest on 01.06.2021 @2% Discount
2. Sale of the Face value of Rs. 75,000 ex-interest on 1.11. 2021 @ 4% Premium.
3. Interest is payable on 30th June and 31st December every year
4. The Market value of the security was more than 7% of its Face value on 31st Dec. 2021.

You are required to prepare 12% Govt. of India Loan. Account for the year ended 31st Dec. 2021. In the Books of Bank of India Ltd.

Q6 What is mean by General Insurance company & Explain Types of General Insurance companies? 15

Q7 Write Short notes [any Three)

1. Difference Between single entry System & Double entry system.
2. Marine Insurance
3. Cloud Accounting & Traditional Accounting
4. statutory Reserve under Banking
5. Automation Accounting