

Total No. of Printed Pages:4

**SUBJECT CODE NO:- C-3040**  
**FACULTY OF COMMERCE & MANAGEMENT**  
**B. Com T.Y (Sem-V)**  
**Examination November/December- 2022**  
**Advanced Financial Accounting-I**

[Time: 03:00 Hours]

[Max. Marks:80]

Please check whether you have got the right question paper.

N.B

- i) Question No. 1 is compulsory.  
 ii) Solve Any four question from 2 to 7.

Q.1 A. Select the most appropriate answer from the alternatives gives below: 05

- 1) Banks prepare the account for -----  
 A- Calendar year                      C- Financial year  
 B- Cooperative year                  D- Diwali year
- 2) Banks show the provision for Income-tax under the head -----  
 A- Contingency A/c                  C- Other Liabilities and provision  
 B- Contingent A/c                      D- Borrowings
- 3) The heading other assets does not include ----  
 A- Silver                                  C- Inter office adjustment (Dr.)  
 B- Interest Accrued                  D- Gold
- 4) Rebate on bill discounted is -----  
 A- An item of income              C- Income received in advance  
 B- Liability                              D- Income outstanding
- 5) A non-performing Assets is -----  
 A- Money at a call and short notice                      C- Cash balance in nil  
 B- An Assets that ceases to generate income              D- cash balance with RBI

B. Answer the following question in one sentence each:- 05

- 1) How many statutory Reserve required?
- 2) In which schedule contingent Liabilities are shown?
- 3) In which year IRDA was set up?
- 4) How many provision for unexpired risk in respect of fire business?
- 5) Write the form name of Revenue A/c of Life Insurance Company?

C. Fill in the blanks & rewrite the sentence.

05

- 1) When interest on doubtful debts is realized the amount is debited to ----- A/c.
- 2) The concept of surrender value of policy is a peculiar to -----.
- 3) Valuation balance sheet s prepared once in every ----- years in the case of life insurance.
- 4) Bank required to transfer ----- % of their profit to statutory reserve.
- 5) The bases for recording bank transaction are ---- prepared by customers.

D. State true or false.

05

- 1) Life Insurance contract is a contract of Indemnity.
- 2) Bonus payable on maturity of the policy is called reversionary bonus.
- 3) Life Insurance is more appropriate to be called Life assurance.
- 4) All Insurance contract are contracts of Indemnity.
- 5) Banks do not provision for Bad debts, as they secure or insure all their advances.

Q.2 Mr. Sagar has not kept proper books were obtained from his books.

15

Particulars	As on	As on
	1.12.2021	31.12.2021
Motor van	20,000	20,000
Furniture	4,000	4,000
Bills receivable	30,000	42,000
Banks loans	40,000	40,000
Cash in hand	400	4,000
Sundry debtors	20,000	32,000
Sundry creditors	28,400	18,000
Stock in trade	32,000	34,000

Additional information:-

1. Sagar drawing rs.500 per Month
2. During the year Sagar introduced additional capital of Rs.10,000.
3. Bad debts Rs.2000 and Reserve per doubtful debts @ 5% on sundry debtors.
4. Depreciation on furniture and motor van by 10% and 20% respectively
5. Interest on bank loan outstanding Rs.1000.

Prepare-

- i) Opening statement of Affairs as on 01.01.2021
- ii) Closing statement of Affairs as on 31.12.2021
- iii) Statement of profit or loss for the year ended 31.12.2021

Q.3 From the following information prepare profit & loss account of Vijay Bank Ltd. For the year ended 15 31 March-2020

Particular	Rs.
Interest on loan	25,90,000
Interest on fixed deposit	27,50,000
Rebate on bill discounted	4,90,000
Commission	82,000
Salary & allowances	5,40,000
Discount on bills discounted	14,60,000
Interest on cash credit	22,30,000
Interest on current deposit	4,20,000
Rent & rates	1,80,000
Interest on overdraft	15,40,000
Directors fees	30,000
Interest on saving bank deposit	6,80,000
Postage & telegram	14,000
Printing & stationary	29,000
Sundry expenses	17,000

Additional information:-

- i) Bad debts provision to be made Rs. 4,00,000.
- ii) Provision for taxation to be made @ 55%.

Q.4 From the following particular, you are required to prepare fire revenue A/c

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Claims paid	4,80,000
Commission outstanding	40,000
Claims intimated but not accepted on 31.12.2014	10,000
Claims intimated and accepted but not paid on 31.12.2014	60,000
Premium received	12,12,000
Reinsurance premium paid	1,20,000
Commission on direct business	2,00,000
Commission on reinsurance accepted	5,000
Commission on reinsurance ceded	10,000
Expenses of management	3,17,000
Reserve for unexpired risk-1.1.14	4,00,000
Additional reserve for unexp. Risk-1.1.14	20,000
Reinsurance recoveries of claims	8,000
Sundry expenses regarding claims	5,000
Legal expenses regarding claims	3,000
Loss on sale of motor car	5,000
Bad debts	3,000
Refund of doubtful taxation	5,000
Interest and dividend	6,000
Income tax deducted thereon	1,000
Profit on sale of investment	2,000
Rent of staff quarter	2,000
Depreciation on furniture	6,000

You are required to provide additional reserve for unexpired risk at 1% of net premium in additional to the opening balance.

- Q.5 Rupee finance Ltd. Held Rs.60,000. 6% investment at Rs.61200 on 1-1-2012. 15  
 The following transaction took place during the year ended 31-12-2012.  
 1-2-2012 Rs.50000 at Rs.51000 cum. Int.  
 1-6-2012 Rs.40000 at Rs.39800 ex. Int.  
 1-9-2012 Rs.30000 at Rs.29000 cum. Int.  
 Sales:  
 1-5-2012 Rs.90000 at Rs.92000 ex. Int.  
 1-8-2012 Rs.80000 at Rs.78000 cum. Int.  
 On purchase and sales 3% brokerage was charged. The market price of the 6% investment as on 31-12-2012 was 2% premium. The interest is received on 31 march and 30 sept. Every year.  
 Prepare investment A/c for the year ended 31-12-2012
- Q.6 Define cloud accounting system? Give its objectives & benefits. 15
- Q.7 Write a short notes (any three) 15
- 1) Double entry system.
  - 2) Non-performing assets.
  - 3) Types of insurance.
  - 4) Types of investments.
  - 5) Forensic accounting concept.