

FRA

FRA-014

①

(2½ Hours)

Q.P. Code : 05279

[Total Marks : 75

- N.B. : (1) Attempt **all** questions
(2) **Figures** to the right indicate **full** marks
(3) **Working note** should form part of your answer
(4) Use of **simple calculator** is **allowed**.

1 (A) Fill in the blanks :-

8

- (a) Current ratio shows _____ position.
(Long Term Solvency or Short Term Solvency)
- (b) Liquid ratio is a relationship between liquid assets and _____
(Fixed Assets or Liquid Liabilities)
- (c) Proprietary ratio = _____
$$\left(\frac{\text{Proprietors Fund}}{\text{Total Assets}} \times 100 \text{ or } \frac{\text{NPAT}}{\text{Proprietors Fund}} \times 100 \right)$$
- (d) Cashflow statement is prepared as per _____.
(AS-2 or AS-3)
- (e) Cash received from sale of machine is a cash flow from _____.
(Financial Activity or Investment Activity)
- (f) Schedule 3 of banking is _____.
(Deposits or Borrowings)
- (g) Reserve for unexpired risk for marine business is _____.
(100% or 50%)
- (h) Revised Schedule VI is applicable to _____.
(Firms or Company)

1 (B) Match the column :-

Column A

Column B

- | | |
|-------------------------------------|--|
| (a) Current Asset | (1) Financing Activities |
| (b) Redemption of Preference shares | (2) P&L format of insurance business |
| (c) Loss Asset | (3) $\frac{\text{Closing Stock}}{\text{Working Capital}} \times 100$ |
| (d) Form B-PL | (4) Operating activities |
| (e) Stock to Working Capital Ratio | (5) 100% |
| (f) Payment of income tax | (6) Bills Receivables |
| (g) Sub Standard Asset | (7) 10% |

7

Q.P. Code : 05279

FRA 2 14

2. From the following particulars, prepare the final accounts of HDFL Bank Ltd.
Trial Balance as on 31st March, 2014.

15

Particulars	Dr. ₹	Cr. ₹
Share Capital:		
1,00,000 Shares of (₹ 10 each, ₹ 5 paid up)		5,00,000
Reserve Fund		10,00,000
Fixed Deposits - 5		20,00,000
Savings Bank Deposits 3		30,00,000
Current Accounts 2		70,00,000
Borrowed from Bank 4		2,00,000
Investments 8	30,00,000	
Premises 16	12,00,000	
Cash in hand 6	60,000	
Cash at bank 6	28,00,000	
Money-at - Call and Short notice 7	3,00,000	
Interest accrued and paid 13	2,00,000	
Salaries 16	80,000	
Rent 16	30,000	
Profit & Loss Account(1.4.13)		1,60,000
Net Profit for the year 14 to		4,50,000
Bills Discounted 15	5,00,000	
Bills Payable 15		8,00,000
Loans, Advances, Overdrafts and Cash Credits	70,00,000	
Unclaimed Dividend 14		30,000
Sundry Creditors		30,000
	1,51,70,000	1,51,70,000

The Bank has the bills for ₹ 14,00,000 as collection for its constituents and also acceptances and endorsements for them amounting to ₹ 4,00,000.

OR

Q.P. Code : 05279

FRA (3) 14

3

02. (a) While closing the books of a bank its advance were classified on 31st March, 2014 as under:

8

	₹. (In lakhs)
Standard asset	1,60,000
Sub standard asset	13,000
Doubtful assets :	
up to one year	7,000
one to three years	4,000
more than three years	2,000
Loss assets	5,000

You are requested to calculate the amount of provision to be made by the bank as on 31st March, 2014.

- (b) Write short notes on :-

7

- Money at call and short notice
- Contingent Liability.

3. From the following balances as on 31-03-2014, prepare Revenue account for the marine business of Reliance Insurance Company Ltd.

15

PARTICULARS	Direct Business	Re-Insurance
	(₹)	(₹)
(A) Premiums		
Received	4,60,000	72,000
Receivable on 1-4-2013	18,750	25,000
on 31-03-2014	26,000	25,500
Paid		46,000
Payable on 1-4-2013		28,000
Payable on 31-3-2014		36,500
(B) Claims		
Paid	2,35,000	30,000
Payable on 1-04-2013	12,500	2,750

Q.P. Code : 05279

FRA (4) 14
4

Received	-	-	12,750
Receivable	on 1-4-2013	-	2,750
	on 31-03-2014	-	1,200
(C) Commission			
on reinsurance accepted		22,000	2,000
on reinsurance ceded		-	2,500
(D) Other Expenses and Income			
Salaries			1,40,000
Rent & Rates		-	40,000
Postage		-	3,000
Stationary		-	30,000
Income tax paid		-	30,000
Dividend & interest received		-	1,40,000
Legal expenses			18,000
(E) Balance of fund on 1-4-2013			3,85,000

OR

3. Explain the following concepts

15

- Reserve for unexpired risk.
- Surrender value
- Bonus to policyholder.

4. Following figures are taken from the trial balance of MNO Ltd, as on 31st march, 2014

15

Particulars	Cost (₹)	Provision for Depreciation (₹) (1/4/2013)
Goodwill	4,60,000	
Land & building	8,00,000	60,000
Office equipment	60,000	14,000
Motor cars	1,40,000	50,400
Plant & machinery	10,00,000	2,56,000

Provide depreciation on written down value of the asset at the following data:

FRA 5/14

Q.P. Code :05279

5

Land & building	5%
Plant and machinery	20%
Motor cars	20%
Office equipment	10%

Prepare a schedule for fixed asset as on 31st March, 2014 as per Revised Schedule VI

OR

4. Explain the following provision of Revised Schedule VI of the companies acts as regards to: 15

- (a) Share capital
- (b) Fixed asset
- (c) Contingent liability.

5. Complete the following balance sheet of MNO Ltd. With help of accounting ratios. 15

Liabilities	₹	Assets	₹
Share capital	?	Fixed asset	?
Reserve and surplus	80,000	Current asset	
Sundry creditors	?	Stock	?
Bank overdraft	?	Debtors	?
		Cash balances	?
	?		?

- (a) Cash balance is 10% of total current assets.
- (b) Fixed asset to working capital is 3:1
- (c) Current ratio is 2.5:1
- (d) Quick ratio is 1.5:1
- (e) Working capital is ₹ 60,000
- (f) Working capital / Bank over draft 6:1

$$\frac{FA}{W.C} = \frac{96000}{60000}$$

OR

$$\frac{60000}{180000}$$

KM-Con.:1519-14.

[TURN OVER

Q.P. Code : 05279

PRA. 6-14
6

15

5. The balance sheet of Pal Ltd. are as follows :

Liabilities	2013	2014	Assets	2013	2014
Equity share capital	1,50,000	2,50,000	Goodwill	55,000	45,000
General reserve	-	30,000	Land & Building	80,000	90,000
Profit and loss alc	-	29,000	Plant & Machinery	40,000	1,00,000
Debentures	1,00,000	-	Stock	42,000	53,000
Sundry creditors	57,000	46,000	Debtors	90,000	98,000
Bills Payable	30,000	6,000	Bills receivable	8,000	12,000
Provision for tax	-	25,000	Prepaid expenses	6,000	4,000
Proposed dividend	-	20,000	Cash in hand	10,000	4,000
			Profit & Loss A/c	6,000	-
	3,37,000	4,06,000		3,37,000	4,06,000

Additional information:-

- During the year 2014 depreciation of ₹8,000 and ₹10,000 have been charged on land and building and plant and machinery respectively.
- An interim dividend of ₹7,500 was paid during the year 2014. *E*
- During the year 2014 machinery having a book value of ₹8,000 was sold for ₹7,500. *I.E*

Prepare a cash flow statement for the year ended 31st December 2014.

KM-Con.:1519-14.

op. Premium
Profit from