

[Time: 2 ½ Hours]

[Marks: 75]

- N.B.
1. Q. 1 is compulsory.
 2. Q.2 to Q.5 are compulsory with internal choice.
 3. Figures to the right indicate full marks.
 4. Workings should form a part of your answer.
 5. Use of simple calculator is allowed.

Q1. State whether the following statements are True or False. (Any 8) [8]

1. Term loan will be loans repayable on demand.
2. Extent of risk retained and reinsurance shall be separately disclosed.
3. Both tangible and non-tangible assets are non-current.
4. Cash flow statement is prepared as per AS 1.
5. Provision for tax is non-operating Expenses.
6. IFRS stands for Indian Film Reporting System.
7. Individual ethical guidelines or personal ethics are the results of a varied set of influence or pressures.
8. Objective of IFRS 1 is to provide suitable starting point for accounting.
9. Increase in share capital is Cash outflow
10. NPA provisioning is not applicable to Banking Company.

Q1b. Fill in the blanks. (Any 7) [7]

1. Provision for taxation is _____ expenses. (operating, non-operating, other)
2. The business principles set a policy of _____ on bribery and corruption. (one tolerance, zero tolerance, two tolerance)
3. Issue of debenture is _____. (cash inflow, cash outflow, no effect)
4. Fair Value should be estimated at _____ date. (opening, closing, grant)
5. IRDA stands for _____. (Insurance Regulator Divided Authority, Insurance Regulatory and Development Authority, India Regulator Divided Authority)
6. There are _____ parties to an insurance contract. (3,4,5)
7. _____ is one which has been classified as NPA for a period not exceeding 12 months. (standard Assets, substandard assets, loss assets)
8. Paid up capital cannot exceed _____ capital (Authorised Capital, Preference Capital, Share premium)
9. Only _____ companies prepared cash flow statement. (listed, unlisted, services)
10. IFRS 1 is _____ for users. (confusing, transparent, complex)

Q2.A From the following information, find out the amount of provision required to be made in the profit and loss account of Krishna Bank for the year ended 31-3-17 [8]

Advances	Rs. Lakhs
Standard Asset	8,000
Sub- standard Asset	3,500
Doubtful Assets for:	
Up to one year	560
One to two years	280
Two to three years	190
More than 3 years	90
Loss Asset	55

Q2 B) From the Following data calculate rebate on Bills Discount as on 31.3.2017 [7]

Date of Bill	Amount (Rs)	Period	Rate of Discount
15.1.2017	6,55,000	05.06.2017	10%
10.2.2017	8,70,000	12.06.2017	12%
28.2.2017	9,20,000	25.06.2017	11%
20.3.2017	11,30,000	06.07.2017	10%

OR

Q2 From the following balances, prepare Profit and Loss Account of Akash Bank Ltd. for the year ended 31st March, 2017. [15]

Particulars	Amount (Rs)	Particulars	Amount (Rs)
Interest on Loans	621,600	Interest on Fixed Deposits	660,000
Commission Received	19,680	Salaries and Allowances	129,600
Discount on Bill Discounted	100,800	Interest on Cash Credit	535,200
Interest on Current Account (Cr)	504,000	Rent and Taxes	43,200
Interest on Overdraft	369,600	Directors Fees	10,080
Interest on Saving Bank Accounts	163,200	Postage and Telegrams	10,320
Locker Rent	2,400	Transfer Fees	1,680
Sundry Charges	4,080		
Depreciation on Bank property	12,000		

Other Information: (a) Rebate on bills discounted Rs 22,800, (b) Bad Debts Rs 96,000 and (c) Provision for Tax Rs. 360,000.

Q3 From the following information as on 31st March 2017, prepare the Revenue Account of the Indira fire Insurance Co. Ltd. [15]

Particulars	Direct Business (Rs)	Re-insurance (Rs)
Premium :		
Received	17,50,000	2,50,000
Receivable - 01.04.2016	72,500	12,500
Receivable - 31.03.2017	68,000	16,000
Paid	-	1,05,000
Payable - 01.04.2016	-	12,500
payable - 31.03.2017	-	16,000
Claims :		
Paid	9,67,500	1,50,000
Payable - 01.04.2016	58,000	17,500
payable - 31.03.2017	99,000	21,000
Received	-	85,000
Receivable - 01.04.2016	-	4,000
Receivable - 31.03.2017	-	6,500
Commission :		
On Insurance accepted	97,500	7,500
On Re - insurance ceded	-	10,500

Particulars	Amount (Rs)
Salaries	125,000
Rent Rate and Taxes	6,000
Postage & Telegrams	17,000
<i>Printing and Stationery</i>	<i>78,000</i>
Legal expenses	17,500

Other information-Balance of Fund on 1st April, Rs. 750,300

OR

Q3 From the following information as on 31st March 2017, prepare the Revenue Account of the Vishnu Insurance Co. Ltd in respect of fire and marine insurance business. [15]

Particulars	Fire (Rs.)	Marine (Rs)
Outstanding Claims (opening Balance)	14,000	3,500
Claim Paid	50,000	40,000
Reserve for Unexpired Risk (opening Balance)	100,000	70,000
Premium Received	225,000	165,000
Agent Commission	20,000	10,000
Expenses Management	30,000	22,500
Re insurance Premium (debit)	12,500	7,500

Additional information:

Particulars	Fire	Marine
Claims outstanding Closing Balance	5,000	7,500
Premium outstanding Closing Balance	15,000	10,000
Expenses Management outstanding Closing Balances	5,000	2,500

Q4. Following are the balance sheet of M/s Kesav Ltd. as on 31.3.16 and 31.3.17 [15]

Liabilities	2016	2017	Assets	2016	2017
Equity Share capital	450,000	450,000	Land & Building	225,000	219,375
General Reserve	150,000	150,000	Plant & Machinery	450,000	484,125
Profit & Loss account	-	94,500	Furniture & Fixtures	90,000	60,000
12% Debenture	285,000	150,000	Inventory	129,000	120,000
Creditors	90,000	210,000	Debtors	142,500	244,500
Outstanding Expenses	30,000	30,000	Cash	22,500	7,500
Provision for Tax	165,000	150,000	Bank	15,000	9,000
Proposed Eq Dividend	45,000	49,500	Advance Income tax	126,000	135,000
Unclaimed Dividend	-	3,000	Preliminary Expenses	15,000	7,500
Total	1215,000	1287,000	Total	1215,000	1287,000

Additional Information:

New Machinery costing Rs.120,000/- was bought on 31st March 2017 and an old Machinery costing Rs.27,000/- (accumulated depreciation Rs 18,000) was sold on 1.4.2016 for Rs.16,500.

Prepare Cash flow statement as on 31.3.17.

OR

Q4 The following is the Trial Balance of Visham Ltd as on 31.03.2017. You are required to prepare statement of Profit and Loss account and Balance sheet as on 31.03.2017 [15]

Particulars	Amount	Particulars	Amount
Land at Cost	400,000	Equity Share Capital (Rs.10 each)	600,000
Plant & Machinery at cost	1600,000	10% Debenture	400,000
Trade receivables	188,000	General Reserve	340,000
Inventories (opening)	178,000	Profit and Loss account	144,000
Bank	40,000	securities Premium	102,000
Purchase	640,000	Sales	1352,000
Wages	120,000	Trade Payable	84,000
Administrative Expenses	60,000	Provision for Depreciation	300,000
Selling & Distribution Exps	60,000		
Interim dividend Paid	36,000		
Total	3322,000	Total	3322,000

Other information:

1. The authorized Share Capital of the company is 10,000 equity share of Rs. 100 each.
2. Depreciation on Plant and Machinery is 15% pa
3. Transfer to Reserve Rs. 10,000

Q5. A) Explain code of ethics for professional accountant. [8]

B) Explain IFRS 1 in detail. [7]

OR

Q5.Short note (Any 3) [15]

1. Average Clause
2. Scope of IFRS-2
3. Rebate on Bill Discounted
4. Cash from operating activities
5. Claims
