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(A-2-Eng) Seat NO: _____

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SARDAR PATEL UNIVERSITY

B. COM. SEMESTER – II (2010 Batch NC)

Accounting For Banking & Insurance (UB02ECOM02/18)

DATE : 04/05/2016, Wednesday TIME : 10:30 AM to 12:30 PM Total Marks : 60

Note: Figures to the right indicate marks of question.

- Q.1 Explain the following provisions of Banking Regulation Act 1949 :- [15]
- I. Share Capital
 - II. Statutory Reserve
 - III. Cash Reserve Ratio

OR

- Q.1 [A] Following balances extracted from trial balance of Bank of Swarg as on 31st March 2016 :- [10]

Rebate on bills discounted (1-4-15) ₹ 2,500.

Discount received on bills discounted ₹ 6,325.

Bills discounted are as follows:

- I. ₹ 60,000 @ 5% due date 30-4-2016
- II. ₹ 40,000 @ 6% due date 31-5-2016
- III. ₹ 80,000 @ 6.5% due date 30-6-2016

On the basis of above information, give necessary journal entries and prepare Rebate on bills discounted A/C & Discount received A/C.

- [B] The following balances appeared in the books of a bank on 31st March 2016: [05]

Particulars	₹
Discount received	4,60,000
Bills purchased & discounted	31,54,700
Rebate on bills discounted (1-4-15)	32,000

Assuming that :-

- I. The rate of discounting was 16% p.a.
- II. Average due date for bills discounted was 15th May, 2016, the unexpired discount being ₹ 70,000.

Give Journal entries from above.

- Q.2 Prepare the Profit & Loss Account of a bank for the year ending on 31st [15]

(P.T.O.)

December 2015. Also give schedules 13 to 16.

Particulars	₹ (in thousands)
Interest on loan	5,18,000
Interest on cash credit	4,46,000
Interest on overdraft	1,08,000
Discount on bills discounted	3,90,000
Interest on F.D.	5,50,000
Interest on Current Accounts	84,000
Interest on Saving Bank deposits	1,36,000
Commission, exchange & Brokerage	16,400
Rent received on safe deposit vaults	98,000
Payment to employees	1,08,000
Rent, rate & tax	36,000
Directors' fees	6,400
Audit fees	2,000
Post & telegrams	2,800
Printing & Stationary	3,800
Advertisement	2,000
Sundry charges	3,400
Depreciation on assets	16,000
Legal charges	5,000
Insurance	20,000
Provisions for doubtful debt	5,000
Transfer to General Reserve	1,50,000
Transfer to Statutory Reserve	1,46,000
Proposed dividend	1,00,000

OR

Q.2 From the following balances prepare Balance Sheet and necessary schedules [15]
of a Nationalized Bank as on 31-3-2016.

Particulars	₹
Capital (Rs. 50 per Share)	50,00,000
Calls-in-arrears	9,925
Office furniture	1,11,150
Stationary & stamp stock	73,228
Branch Adjustment (Dr.)	3,26,745
Bills discounted	47,35,620
Investments	3,25,47,495
Fixed deposits	3,10,00,000
Current Accounts	6,47,72,226
Cash Credit & O.D.	2,75,93,772
Loan	2,20,00,000
Money at call	3,50,000

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Statutory Reserve fund	50,000
P & L A/C	3,15,159
Cash with other Banks	32,04,458
Bills payable	21,007
Provident fund	61,808
Unclaimed dividend	10,765
Rebate on bills discounted	32,298
Cash on hand	80,26,000
Reserve fund	11,00,000
Taxation Reserve	2,10,000
Borrowings	40,000
Balance with RBI	36,34,870
Bills for collection	1,50,000
Claim against bank, not acknowledge as debt	10,00,000

- Q.3 [A] The fire occurred in the godown of M/S HB Traders on 15-11-2015. From the following particulars ascertain the loss of stock and prepare a statement of claim for insurance: [10]

Particulars	₹
Stock (1-1-14)	34,000
Purchases (1-1-14 to 31-12-14)	1,22,000
Sales of 2014	1,80,000
Stock on 31-12-14	30,000
Purchases (1-1-15 to 14-11-15)	1,47,000
Sales (1-1-15 to date of fire)	1,50,000
Goods salvaged from fire	18,000
Amount of policy	63,000

There was an average clause in policy.

- [B] Write note on: Average Clause [05]

OR

- Q.3 [A] From the following particulars compute claim for loss of profits under consequential loss policy: [10]

Date of fire	30-6-2015
Period of indemnity	6 months
Sum insured	₹ 1,60,000
Sales for the year ended on 30-6-2015	₹ 80,00,000
Net profit of the year	₹ 50,000
Standing charges for year	₹ 1,00,000
Sales for the year ended on 31-3-15	₹ 6,00,000
Sales for indemnity period (1-7-15 to 31-12-2015)	₹ 2,24,000
Sales for the period from 1-7-14 to 31-12-14	₹ 4,40,000

The sales for the year 2014-15 had shown a tendency of increase of 5% over the sales of previous year.

(P.T.O.)

[B] Write note on: Consequential loss policy

[05]

Q.4 The following balances showed in the books of Bharat Marine Insurance Company Ltd. as on 31st March 2016:-

[15]

Particulars	₹
Re-insurance premium paid	50,000
Reserve for unexpired risk on 1-4-15	8,24,800
Expenses on management	1,25,600
Commission on direct business	1,05,000
Commission on re-insurance business	47,000
Claims paid during year	2,21,000
Loss on exchange	9,000
Claims outstanding on 1-4-15	2,81,000
Claims outstanding on 31-3-16	3,37,000
Premium receivable on 31-3-16	1,50,000

You are asked to prepare Revenue Account for the year ended 31st March, 2016 after consideration of following:

- Provide for unexpired risks at 100% of the net premium
- Create additional reserve of ₹ 75,000.

OR

Q.4 Write short notes on:

[15]

- Types of general insurance
- Premium related to general insurance business

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