

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI-86

(For candidates admitted during the academic year 2019 – 2020)

COURSE CODE: 19VB/VM/PA16

B VOC (BFSI) DEGREE EXAMINATION - DECEMBER 2020

VOCATIONAL - BANKING, FINANCIAL SERVICES AND INSURANCE

FIRST SEMESTER

COURSE : MAJOR CORE

PAPER : PRINCIPLES AND PRACTICES OF ACCOUNTING

TIME : 90 MINUTES

MAX.MARKS: 50

SECTION – A

ANSWER ALL QUESTIONS

(6X2=12)

1. What is ratio analysis?
2. State the legal requirement of a bank.
3. Define cost accounting.
4. From the following information show the results of operations of a manufacturing concern using trends percentages with 2017 as base year

	2017	2018	2019
Sales	2,000	2,500	3,000
Cost of goods sold	1,400	1,800	2,200
Gross profit	600	700	800

5. Calculate the EPS ratio from the following data :

Particulars	₹
Net Profit before tax	2,00,000
Taxation	50% of net profit
10% Preference Share capital (₹10 each)	2,00,000
Equity share capital (₹ 10 each)	2,00,000

6. From the following information calculate stock turnover ratio :

Gross sales	5,00,000
Sales return	25,000
Opening stock	70,000
Closing stock at cost	85,000
Purchase	3,00,000
Direct expenses	1,00,000

Section – B

Answer any Two Questions

(2x4=8)

7. From the following particulars prepare a profit and loss A/c of New Bank Ltd , for the year ended 31.12.2018

Particulars	₹	Particulars	₹
Rent received	72,000	Salaries and Allowances	2,18,800

Exchange and commission	32,800	Postage	5,600
Interest on fixed deposit	11,00,000	Sundry charges	4,000
Interest on savings bank account	2,72,000	Directors and auditors fees	16,800
Interest on overdraft	2,16,000	Printing	8,000
Discount on bills discounted	7,80,000	Law charges	3,600
Interest on current account	1,68,000	Locker Rent	1,400
Interest on cash credits	8,92,000	Transfer fees	2,800
Depreciation on bank property	20,000	Interest on loans	10,36,000

8. The revenue account of a life insurance company showed the life fund at ₹73,17,000 on 31.03.2106 before taking into account the following items:

Particulars	₹
Claim initiated but not admitted	98,250
Bonus utilized in reduction of premium	13,500
Interest accrued on investment	29,750
Outstanding premiums	27,000
Claims covered under re-insurance	40,500
Provision for taxation	31,500

Prepare the adjusted life fund.

9. From the following Profit and loss A/c , your required to convert into Comparative Profit and Loss account for the year 2012 and 2013

Particulars	2012 ₹	2013 ₹	Particulars	2012 ₹	2013 ₹
To cost of goods sold	1,18,000	1,47,000	By sales	2,00,000	2,25,000
To gross Profit c/d	82,000	78,000			
	2,00,000	2,25,000		2,00,000	2,25,000
To general & administrative expenses	5,000	6,000	By Gross Profit	82,000	78,000
To selling & Distribution Expenses	7,000	8,000	By Non-Operating Income	10,000	

Section - C**Answer the following questions****(2x15=30)**

10. (a) From the following Trail Balance of Ramesh as on 31st Dec 2019 prepare a Trading and profit and loss account for the year ended 31.12.2019 and a balance sheet as on that date after making necessary adjustment.

Debit Balance	Rs.	Credit Balance	Rs.
Drawings	3,000	Capital	40,000
Plant and Machinery(1.1.2004)	10,000	Sundry creditors	5,000
Plant and machinery (addition on 1.7.2004)	2,500	Sales	60,000
Stock	7,500	Return outwards	500
Purchases	41,000	Reserve for doubtful debts	200
Return inwards	1,000	Discounts	400
Sundry debtors	10,300	Rent received	600
Furniture and Fixtures	2,500		
Freight and duty	1,000		
Carriage outwards	250		
Rent, Rates and Taxes	2,300		
Printing and stationary	400		
Trade expenses	200		
Postage and telegrams	400		
Insurance charges	350		
Salaries and wages	10,650		
Cash in hand	3,100		
Cash at bank	10,250		
	1,06,700		1,06,700

ADJUSTMENTS:

- Stock on 31.12.2019 was valued at Rs.7,300
- Write off Rs.300 as bad debts
- The reserve for doubtful debts is to be maintained at 5% on debtors
- Create a reserve for discount on debtors and on creditors are 2%
- Depreciate Furniture and fixtures at 5% p.a and Plant and Machinery at 20% p.a
- Insurance prepaid was Rs.50
- A fire occurred on 26th Dec 2019 in the godown and stock of the value of Rs.2,500 was fully insured and the insurance company admitted the claim in full.

(OR)

(b) From the following balance sheet of ABC Ltd., for the year ended 31st Dec 2012 and Dec 2013, you are required to prepare a Comparative Balance sheet

Particulars	2015 ₹	2016 ₹
Assets		
Cash in Hand	5,000	5,500
Cash at Bank	3,500	5,000
Sundry Debtors	45,000	40,000
Stock	35,000	40,000
Bills Receivables	11,000	11,500
Prepaid Expenses	2,500	3,000
Fixed Asset	1,50,000	1,65,000
	2,52,000	2,70,000
Liabilities and Capital		
Share Capital	1,35,000	1,45,000
Short – Term Loans	32,000	35,000
Long – Term Loans	45,000	42,000
Bills Payable	7,000	5,000
Sundry Creditors	6,000	8,000
Bank Overdraft	27,000	35,000
	2,52,000	2,70,000

11. (a) From the following particulars prepare a cost sheet for the period ended 31st December 2018:

	₹		₹
Raw material	33,000	Rent and Taxes (office))	500
Productive Wages	35,000	Water supply	1,200
Direct expenses	3,000	Factory insurance	1,100
Unproductive wages	10,500	Office insurance	500
Factory rent and taxes	7,500	Legal expenses	400
Factory Lighting	2,200	Rent for warehouse	300
Motive Power	4,400	Depreciation :	
Factory Heating	1,500	Plant and machinery	2,000
Factory stationary	750	Office Building	1,000
Directors Fees(Works)	1,000	Delivery Vans	200
Directors Fees (Office)	2,000	Bad Debts	100
Factory Cleaning	500	Advertising	300

Sundry office expenses	200	Sales Department Salaries	1,500
Office stationary	900	Bank charges	50
Commission on sales	1,500		

(OR)

(b)The following information is given about M/s.Gowda Ltd. For the year ending Dec31st 2017

Particulars	₹
Share capital	8,40,000
Bank overdraft	50,000
Working capital	2,52,000
Current Ratio	2.5:1
Quick Ratio	1.5:1
Gross Profit Ratio	20% on sales
Stock Turnover Ratio	5 times
Sales	5,00,000
Trade debtors	70,000
Closing creditors	30,000
Opening creditors	40,000
Closing Stock	20,000 (higher than opening stock)