| Enrollment No: | Exam Seat No: |
|----------------|---------------|
|----------------|---------------|

C.U. SHAH UNIVERSITY

Summer Examination-2019

Subject Name: Accounting & Finance-IV

Subject Code: 4CO04AFI2 Branch: B.Com (English)

Semester: 4 Date: 06/05/2019 Time: 02:30 To 05:30 Marks: 70

Instructions:

- (1) Use of Programmable calculator & any other electronic instrument is prohibited.
- (2) Instructions written on main answer book are strictly to be obeyed.
- (3) Draw neat diagrams and figures (if necessary) at right places.
- (4) Assume suitable data if needed.

| Q-1 | | Attempt the following questions: | (14) |
|-------|------------|--|-------------|
| | a) | State different types of insurance | 1 |
| | b) | What is the full name of IRDA? | 1 |
| | c) | Explain no claim bonus | 1 |
| | d) | State the meaning of insolvent | 1 |
| | e) | What is the meaning of partly secured creditors? | 1 |
| | f) | What is capital deficiency account? | 1 |
| | g) | Explain the meaning of over insurance | 1 |
| | h) | State the meaning of short sale | 1 |
| | i) | Give the journal entry- | 1 |
| | | When the insurance company pays the claim | |
| | j) | Explain in brief precautionary motive for holding cash | 1 |
| | k) | Name any two methods of short term cash forecasting | 1 |
| | 1) | State the meaning of receivable | 1 |
| | |) What is the formula of EOQ ? | 1 |
| | , | State the formula of maximum level | 1 |
| Atten | npt any | y four questions from Q-2 to Q-8 | |
| Q-2 | | Attempt all questions | (14) |
| | a | Write a short note: Re-Insurance | 7 |
| | b | Provide the specimen of profit and loss account of general insurance company | 7 |
| Q-3 | | Attempt all questions | (14) |
| | a | Write a detailed note on statement of affairs | 7 |
| | b | Explain preferential creditors in detail | 7 |
| Q-4 | | Attempt all questions | (14) |
| | a | Write a short note: Average clause | 7 |
| | b | Explain in brief consequential loss policy | 7 |
| Q-5 | | Attempt all questions | (14) |
| | a | State advantages and limitations of cash budget | 7 |
| | b | Explain in brief optimum credit policy | 7 |
| | | | Page 1 of 2 |



| Q-6 | | Attempt all questions | (14 | | |
|------------|--|---|-------------|--|--|
| | a | Discuss the objectives of inventory management | 7 | | |
| | b | The following details relate to the fire insurance business of an insurance | ce 7 | | |
| | | company for the year 2010-11 | | | |
| | | Particulars Amount | | | |
| | | Claims paid during 2010-11 670000 | | | |
| | | Outstanding claims on 31-3-2010 65000 | | | |
| | | Outstanding claims on 31-3-11 90000 | | | |
| | | Legal expenses in respect of claims 30000 | | | |
| | | Re-insurance recoveries 30000 | | | |
| | | Find out the amount of net claims paid to be shown in revenue account | · | | |
| Q-7 | | Attempt all questions | | | |
| | a The assets of Mr. X on 31-3-11 as per his books were Rs.50000 includi machinery valued in the books at Rs.5000and estimated to realize 60% | | | | |
| | | | | | |
| | | the book value and his liabilities were Rs.35000 of which Rs.2000 were | : | | |
| | | fully secured against machinery. He filed his petition in bankruptcy and | l | | |
| | | estimated his deficiency to be Rs.10000 before taking into account the | | | |
| | | following items. | | | |
| | | 1.interest @ 5% on his capital for one year is to be charged | | | |
| | | 2.Bills receivable discounted by him were Rs.3000 of which Rs.500 are | ; | | |
| | | likely to be dishonored. | | | |
| | | 3.Rent for two months Rs.200 is outstanding | | | |
| | | 4. Amount due as salaries and wages Rs. 300 and rates and taxes Rs.100 | 0 | | |
| | | 5.Receivers expenses Rs.100 | | | |
| | _ | Prepare his statement of affairs and deficiency account | | | |
| | b | Fire occurred in a company on 30-4-2011 and out of stock of Rs.50000 | 0 7 | | |
| | | lying in warehouse, stock of Rs. 400000 was destroyed. | | | |
| | | 1. If the company has insured stock for Rs. 500000 | | | |
| | | 2. If the stock is insured for Rs.375000 and there is no average | | | |
| | | clause in policy | | | |
| | | 3. If the insurance is taken out for Rs.400000 and there is a | | | |
| | | condition of average clause | | | |
| 0 0 | | Find out amount of claim in each of the above situation. | (1.4 | | |
| Q-8 | | Attempt all questions | (14 | | |
| | a | A fire took place in the factory of a firm. From the following information find out the amount of claim: | on 7 | | |
| | | 1. Short sales Rs 300000 | | | |
| | | | | | |
| | | 2. Sales of the last financial year Rs.1000000 | | | |
| | | 3. Net profit of the last financial year Rs.1600004. Standing charges of the last financial year Rs. 40000 | | | |
| | | · · · · · · · · · · · · · · · · · · · | | | |
| | | 5. Sales for twelve months immediately preceding date of fire Rs 2000000 | | | |
| | | 6. Amount of insurance policy Rs.360000 | | | |
| | | 7. Expenses to mitigate fire Rs.6000 | | | |
| | b | State the procedure to find claim, due to loss of stock | 7 | | |
| | U | State the procedure to find claim, due to loss of stock | , | | |

