



**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 company for the year 2010-11 7

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** (14)

- a** The assets of Mr. X on 31-3-11 as per his books were Rs.50000 including machinery valued in the books at Rs.5000 and estimated to realize 60% of 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 estimated his deficiency to be Rs.10000 before taking into account the following items. 7

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
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.500000 lying in warehouse, stock of Rs. 400000 was destroyed. 7

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

Find out amount of claim in each of the above situation.

**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: 7

1. Short sales Rs 300000
2. Sales of the last financial year Rs.1000000
3. Net profit of the last financial year Rs.160000
4. 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

