Corporate Accounting

Unit-5 Accounts of Banking Companies

Part 1

PREPARATION OF PROFIT & LOSS ACCOUNT

PROBLEM 1. From the following particulars, prepare Profit and Loss Account of the Safety Bank for the year ended 31st March, 2018.

Interest on Deposits Sch 15 with asperdad ? ('000) ₹.('000) 3,200 Discount on Bills Discounted Sol 13 Sett conned 1.490 Commission (Cr.) Sek 14 alben income Commission (Cr.) Sek 19 attern from 100 Interest on Overdrafts Sch. 13 Interest on Loans Sch. 13 Dut connect 2,490 Interest on Cash Credits Sch. 13 Stand 2,320 Sundry Charges (Dr.) Sch. 16 operating Preme 100 Auditors' Fees 3 16 operating Contend 35 Rent and Taxes Sch. 16 operating Supernue 200 Directors' Fees Sch. 16 operating contend 5 16 Beddelk bob Payment to Employees Sel. 16 abrilles Captant 500 Bad Debts to be written off 300 SOLUTION THE SAFETY BANK **PROFIT & LOSS ACCOUNT** for the year ended 31st March, 2018 Year ended Schedule 31-3-2018 No. ₹ ('000) Income 7,900 13

Interest Earned	14	100
Other Income	har and the second s	8,000
II. Expenditure Interest Expended Operating Expenses Provisions and Contingencies (Bad debts to be weither off	15 16	3,200 851 300 4,351
III. Profit/Loss Net Profit for the year		3,649
Profit brought forward	there at the	3,649

IV.	Transfer to Statutory Reserve (25% of 3,649) Transfer to Other Reserves Transfer to Govt./Proposed Dividend Balance carried over to Balance Sheet	912.25
Workin	g Notes : SCHEDULE 13-INTEREST EARNED	₹ ('000)
1	Interest/Discount on Advances/Dills (0, 100 - 1, 100	Year ended 31-3-2018
 II. III. IV.	Interest/Discount on Advances/Bills (2,490 + 1,490 + 1,600 + 2,320) Income on Investments Interest on Balances with RBI and Other Inter-bank Funds Others	7,900 — — —
15 2		7,900
105 80	SCHEDULE 14-OTHER INCOME	
Ŀ	Commission, Exchange and Brokerage	₹ ('000)
11.	Lockers Rent	100
	Transfer Fees	
of the	I know the fails of an particulars, phopsed From and Loss recommen-	
	still used is house the	100
and and an	SCHEDULE 15-INTEREST EXPENDED	()000) ₹ ()000)
nts I.	Interest on Deposits	3,200
	and the second sec	3,200
300	and the second first state and the	0,200
	SCHEDULE 16-OPERATING EXPENSES	
I.	Payment to Employees	₹ ('000)
11.	Rent, Taxes & Lighting	500
III.	Printing and Stationery	200
III. IV.	Advertisement & Publicity	
III. IV. V.	Advertisement & Publicity	
III. IV. V. VI.	Advertisement & Publicity Depreciation on Bank Property Directors' Fees	
III. IV. V. VI. VII.	Advertisement & Publicity Depreciation on Bank Property Directors' Fees Auditors' Fees	
. V. V. VI. V .	Advertisement & Publicity Depreciation on Bank Property Directors' Fees Auditors' Fees Law Charges	
III. IV. V. VI. VII. VII. IX.	Advertisement & Publicity Depreciation on Bank Property Directors' Fees Auditors' Fees Law Charges Postage, Telegrams & Telephones	
III. IV. VI. VI. VII. VIII. IX. X.	Advertisement & Publicity Depreciation on Bank Property Directors' Fees Auditors' Fees Law Charges Postage, Telegrams & Telephones Repairs and Maintenance	
III. IV. VI. VII. VIII. IX. X. XI.	Advertisement & Publicity Depreciation on Bank Property Directors' Fees Auditors' Fees Law Charges Postage, Telegrams & Telephones Repairs and Maintenance Insurance	
III. IV. VI. VI. VII. VIII. IX. X.	Advertisement & Publicity Depreciation on Bank Property Directors' Fees Auditors' Fees Law Charges Postage, Telegrams & Telephones Repairs and Maintenance	

PROBLEM 2. Prepare Profit and Loss Account for the year ended 31st March, 2018, of the Very Sound Bank Ltd. from the following particulars :

Interest on Cash Credits Stalls 160 Co Interest on Fixed Deposits Soll's 190 Au	Piscount on Bills DiscountedSch 13₹ ('000)Sent, Taxes, Insurance & Lighting165Commission, Exchange and BrokerageSch 1915Juditors' Fees and Expenses1010Directors' Fees and Expenses14.1620
--	--

THE VERY SOUND BANK **PROFIT & LOSS ACCOUNT** for the year ended 31st March, 2018

		Schedule	₹ ('00
L	Income	No.	Year ended 31-3-2018
	Interest Earned	1.01	51-5-2018
	Other Income	13	Constant 192
		14	520
		14	15
11.	Expenditure	and the second of	535
	Interest Expended	A DATED TO	
	Operating Expenses	15	340
	Provisions and Contingencies	16	185
	and the second se		-
- 111.	Profit/Loss		525
fard	Profit/Loss Net Profit for the year Profit brought forward	Dan's Start	1001000
. 10	Profit brought forward	antiff will and	10
and the second	Profit brought forward	ister of testing	-
IV.	Appropriations		10
	Transfer to Statutory Reserve (25% of 10)		
	Transfor to Other D	-1 Bar	2.5
	Hallslef to Uther Reserves		
	Transfer to Other Reserves	(an inclusion in)	
60	Transfer to Govt./Proposed Dividend	Anticoptions Anticoptions	-
GE k u	Transfer to Govt./Proposed Dividend Balance carried over to Balance Sheet	l'alieoptico. 17 motolqueil 17 havies e	7.5

SCHEDULE 13-INTEREST EARNED

	020	₹ ('000
	(Reference) and the second sec	Year ended 31-3-2018
 Interest/Discount on Advances/Bills (250 + 160 Income on Investments Interest on Balances with RBI and Other Inter B IV. Others 	Interest/Discount on Advances/Bills (250 + 160 + 70 + 40) Income on Investments	520
	Others	en en Ta ad
		520
	SCHEDULE 14-OTHER INCOME	Department of the second

₹ ('000) I. Commission, Exchange and Brokerage II. Lockers Rent 1. 15 _ III. Transfer Fees • • 15

12	SCHEDULE 15-INTEREST EXPENDED	₹ ('000
. I.	Interest on Deposits (150 + 190)	340
	Jutton P Can (27)	340
	SCHEDULE 16-OPERATING EXPENSES	
-	-	₹ ('000
. I.	Payment to Employees	150
E II.	Hent, Taxes & Lighting	5
	Finding and Stationery	
IV.	Advertisement & Publicity	
V.	Depreciation on Bank Property	-
VI.	Directors' Fees & Expenses	20
VII.	Audit Fees & Expenses	10
VIII.	Law Charges	i mai, -
IX.	Postage, Telegrams & Telephones	-
X.	Repairs & Maintenance	- 18
XI.	Insurance	Caster The
XII.	Sundry Charges	-
		185

PROBLEM 3. Prepare Profit and Loss Account in respect of the World Bank, incorporated under the Banking Regulation Act from the following balances as on 31st March, 2018. The management decides to make a provision of ₹ 1,00,000 for Bad and Doubtful Debts.

	₹ ('000)	₹ ('000)
Interest received 3		400
Interest paid on Deposits 15	210	
Payment to Employees 16	268	
Commission received) ⁴		300
Brokerage 14		150
Advertising \6	15	1
Printing and Stationery 16	48	dthroat?
Postage, Telegrams and Telephones 16	29	
Interest on Borrowings 15	250	
Director's Fees and Allowances	30	
Rent Vo	40	11-
Taxes \L		
Discount 13		>210
Exchange Song Concentration and Benjamin	NAME STREET	180
Lockers Rent		110
Transfer Fees		150
Depreciation Written off on Bank Property 16	30	
Audit Fees 🔨	20	
Provision for Diminution in the Value of Govt. Securities	N 5	in the second
Misc. Expenses	25	
Balance		
	500	- Ala
	1,500	1,500

SOLUTION

THE WORLD BANK PROFIT & LOSS ACCOUNT For the year ended 31st March, 2018

-	-		and the second second	₹ ('00
		·	Schedule No.	Year ended 31-3-2018
•	Interest Earned Other Income		13 14	610 890
			tent de la s tenteste (11 p	1,500
II.	Expenditure Interest Expended Operating Expenses Provisions and Contingencies (100 + 5)	15 16 —	460 535 105
	ma and the field with managers	in advants advand)	and a second second	1,100
111.	Profit/Loss Net Profit for the year Profit brought forward	e 11st March, 2018 : 7 7 8 8 8 8 8 9 8 9 8 9 8 9 8	and a state	400
	and setting	DINLEY'S	Alconger 6	400
IV.	Transfer to Statutory Reserve (25% of Transfer to Other Reserves Transfer to Govt./Proposed Dividend	15.0 at 1	Semanove M	100
	Balance carried over to Balance Sheet	2,25,000	Ti that Ti	300
and a	 A 1997 A 1998 B 	(Holly, Lo	CHENCY / HIS	400
/orki	ng Notes : SCHEDULE 13	3-INTEREST EARNED	and a second and a s	₹ ('00
4				Year ended

balt, 1	•	Year ended 31-3-2018
1.	Interest/Discount on Advances/Bills (400 + 210)	610
. .	Income on Investments Interest on Balances with RBI and Other Inter-bank Funds	_
IV.	Others	610

SCHE	DULE 14-OTHER INCOME	₹ ('000)
I. Commission, Exchange and Brull. II. Lockers Rent	okerage (300 + 180 + 150)	630 110 150
III. Transfer Fees		890
SCHEDU	LE 15-INTEREST EXPENDED	₹ ('000)
	Tues of	210

- I. Interest on Deposits II. Interest on Borrowings

250 460

SCHEDULE 16-OPERATING EXPENSES

	Maharda and STCOM and	₹ ('000)
١.	Payment to Employees	268
11.	Rent, Taxes & Lighting (40 + 30)	70
11. N	Printing and Stationery	48
IV.	Advertisement & Publicity	15
٧.	Depreciation on Bank Property	30
VI.	Directors' Fees & Allowances	30
VII.	Audit Fees	20
VIII.	Law Charges	_
IX.	Postage, Telegrams & Telephones	29
Х.	Repairs & Maintenance	
XI.	Insurance	Market .
XII.	Sundry Charges (Misc. Expenses)	25
30	TR + 0973 - State State	535

PROBLEM 4. From the following information, prepare the Profit and Loss Account of German Bank Ltd. for the year 31st March, 2018 :

	र		₹
Interest on Loans Sch 13	2,56,000	Directors' Fees	3,000
Interest on Loans Son 15	2,75,000	Auditors' Fees \	1,200
Commission 14	5,200	Interest on Savings Bank	
Establishment V	54,000	Deposits 15	68,000
Discount on Bills Discounted 13	1,46,000	Postage and Telegrams)	1,400
Interest on Cash Credit 13 /	2,23,000	Printing and Stationary	2,900
Interest on Current Accounts	42,000	Sundry Charges	1,700
Rates and Taxes	18,000	Income from Investments 13	2,000
Interest on Overdrafts V3	1,54,000	Profit on Sale of Investment 14	4,000
Bad Debts to be written off amou			1,000

Bad Debts to be written off amounted to ₹ 40,000 provision for taxation may be made @ 55%. SOLUTION

PROFIT AND LOSS ACCOUNT

for the year ending 31st March, 2018

Ļ	Particulars	Schedule Number	31-3-2018 (Current Year)
(001	Income Interest Earned Other Income	13 14	781.00 9.20
	(57) (56) - 186) - 196) - 196) - 196)	unitana anna maistra anna	790.20
	Expenditure Interest Expended Operating Expenses Provisions and Contingencies	15 16	385.00 82.20 (3) 195.65
	UMINARY TRAUTING-BI I	SCHEDU.	662.85
	Profit/Loss Net Profit/Loss (–) for the year Profit/Loss (–) brought forward	• Gri Di qossi 1 eri Di qossi 1 eri 1 arrowi qu	127.35
	as the second		127.35

IV. Appropriations Transfer to Statutory Reserve (25% of 127.35) Balance Carried over to Balance Sheet	to .	31. 95.
	-	127.
SCHEDULE 13 : INTEREST EARNED	anna faith a c	15. 11. 1 T
I. Interest on Advances and Discount on Bills (1)		779.0
	·	2.0 781.0
SCHEDULE 14 : OTHER INCOME	F	1
1. Commission, Exchange and Brokerage		5.0
II. Profit on Sale of Investments	350.1240.04	5.2
	1000	
	=	9.20
SCHEDULE 15 : INTEREST EXTENDED expanded		
I. Interest on Deposits (2)		385.00
 A DRL N 1979 M. CONTRACT REPORTED IN PROPERTY PROPERTY. 	and a fait and	385.00
	L_E	
SCHEDULE 16 : INTEREST EXPENDED Openaling Ent	engla .	10 1 AT 1
I. Payment to and Provision for Employees (Establishment)	New York The Party	54.00
II. Rent, Taxes and Lighting - Roles + 1		18.00
III. Printing and Stationery		2.90
IV. Directors' Fees, Allowances and Expenses		3.00
V. Auditors' Fees and Expenses		1.20
VI. Postage, Telegrams, Telephones etc.		1.40
VII. Other Expenditure (Sundry Charges)		1.70
		82.20
Working Net		
Working Notes :	1911 5 8 84	1.1
(1) Calculation of Interest and Discount for Schedule No. 13	- and the second	₹ 000's
Interest on Loans		256-
13 Interest on Cash Credit Interest on Overdrafts	STUTISHIS	223
Discount on Bills Discounted	Link when is	154 146
	sanders i seden	
D' Income on Conversioned	martial and a	7792
(2) Calculation of Interest on Deposits for Schedule No. 15	-	₹ 000'5 7
Interest on Fixed Deposits		275
Interest on Current Assets	18.8.15 LT 1	42 68
Interest on Savings Bank Deposits A/c	event services	
Contineerie	and the second second	385
(3) Calculation of Provision for Income Tax)		₹ 000's
Intal Income	Charles Com	790.20
	385.00	
Less : Interest Expended (Till and frand)	· · · · · · · · · · · · · · · · · · ·	
Less : Interest Expended (Tull and figure) Operating Expenses	82.20-	
Less : Interest Expended (Tull a defend)	82.20- 40.00-	·
Less : Interest Expended (Tull and figure) Operating Expenses		507.20 283.00

	Tax @ 55% of ₹ 283 thousand		A STATEMENT
.•0	Bad Debts		155.65
	Total of Provision & Contingencies	 As a balance is a balance is a balance is a 	40.00
2			100.00

PROBLEM 5. From the following information, prepare Profit and Loss Account of the Vasari Bank Ltd. for the period ended on 31st March, 2018. Working should form part of your answer :

	₹ ('000)		7 (1000
Interest on loans 🕥	300	Interest on cash credits V?	₹ ('000)
Interest on fixed deposits	275	Interest on saving bank deposits	240
Commission	10	Postage, telegrams and stamps	87
Exchange and brokerage	20	Printing and stationery	10
Salaries and allowances	150	Sundry expenses	20
Discount on bills (gross) 🗢	152	Rent	10 15
Interest on temporary overdrafts	and the second second second	Taxes and licences	15
in current accounts 🔊	30	Audit fees	10
in current accounts X1	30	Audit fees	10

Additional information :

(i) Rebate on bills discounted ₹ 30,000 ; (ii) Salary of managing director ₹ 30,000 ; (iii) Provision for Bad Debts ₹ 40,000 ; (iv) Provision for income tax is to be made @ 55% (round off to the nearest thousand) ; (v) Interest of ₹ 4,000 on doubtful debts was wrongly credited to interest on loan account ; (vi) Provide ₹ 15,000 as dividend.

SOLUTION

THE VASARI BANK LTD. PROFIT & LOSS ACCOUNT For the year ended 31st March, 2018

Schedule Year ended No. 31-3-2018 Income Interest Earned 13 688 Other Income 14 30 718 II. Expenditure Interest Expended 15 362 **Operating Expenses** 16 255 **Provisions and Contingencies** (1)74 691 III. Profit/Loss Net Profit for the year 27 Profit brought forward _ 27 Appropriations IV. Transfer to Statutory Reserve (25% of 27) 6.75 Transfer to Other Reserves Transfer to Govt./Proposed Dividend 15.00 Balance carried over to Balance Sheet 5.25 27.00

₹ ('000)

Working Note (1) :	Provision for Bad Debts Provision for Tax (55% of 61 thousands <i>i.e.</i> , Profit before tax)	₹ 40 thousands ₹ 34 thousands
Working Notes :	Provisions and Contingencies	₹ 74 thousands

SCHEDULE 13-INTEREST EARNED

₹ ('000)

	similar and a second state of the line of	Year ended 31-3-2018
l.	Interest/Discount on Advances/Bills (300 + 30 + 240 + 152 - 30 - 4) Income on Investments	688
11. 111.	Interest on Balances with RBI and Other Inter-bank Funds	-
IV.	Others	_
1	set without the set of	688
100	SCHEDULE 14-OTHER INCOME	₹ ('000)

	₹ ('000)
I. Commission, Exchange and Brokerage (10 + 20)	30
III. Transfer Fees	
	30
SCHEDULE 15-INTEREST EXPENDED	₹ ('000)
I. Interest on Deposits (275 + 87)	362

	이 가슴이 다 가지 않는 것이 가지 HETVER 이 이 이야 있다. ~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~	362
and the second s		302

	SCHEDULE 16-OPERATI	NG EXPENSES	₹ ('000)
1.	Payment to Employees		150
11.	Rent, Taxes & Lighting	Direction of the state of	15
111.	Printing and Stationery		20
IV.	Advertisement & Publicity		-
V.	Depreciation on Bank Property		status <mark> b</mark> r is a
VI.	Directors' Fees (Salary of Managing Director)	ad tax add service tax is dread?"	30
VII.	Audit Fees	1 Sec. 2015 (2017)	10
VIII.	Law Charges	at all when the second second	
IX.	Postage, Telegrams & Telephones	Read Street and the second	10
Х.	Sundry Charges (Sundry Expenses 10 + Taxes &	Licences 10)	20
			255

PROBLEM 6. Following figures are extracted from the books of K. Bank Ltd. as on 31-3-2018 :

entra la francia de la compañía de la	₹ (000)		₹ (000)
Interest and discount received	4,060	Rent paid	108
Interest paid on deposits	2,404	Stationery	48
Capital	1,000	Postage	40
Commission and exchange	180	Audit fee	8
Rent received	60	Depreciation on Bank's properties	25

190 Director's fee

Profit on sale of investment Salaries

210 Preliminary Expenses

Further information :

(a) A customer to whom a sum of ₹ 5,00,000 has been advanced has become insolvent and 40% recovered from his estate, (b) Provision for bad and doubtful debts necessary ₹ 1,00,000. (c) Rebate on bill discounted as on 31-3-2017, ₹ 10,000 and Rebate on bills discounted as on 31-3. 2018, ₹ 15,000, (d) Provide ₹ 7,00,000 for income-tax, (e) The directors desire to declare 10% dividend. (f) Write off all preliminary expenses.

Prepare Profit & Loss A/c in accordance with law.

SOLUTION

K. BANK LTD. PROFIT & LOSS ACCOUNT for the year ended 31st March, 2018

	SCHEDU F 14 - CTHER INCOM	Schedule No.	Year ending 31st March 2018
1.	Income Interest Earned Other Income	13 14	₹ 40,55,000 4,30,000
_		Total	44,85,000
2.	Expenditure		
	Interest Expended Operating Expenses	15	24,04,000
	Provision for Contingencies ₹ 4,00,000 (<i>i.e.</i> 60% of ₹ 5,00,000 +	16	4,73,000
	+ ₹ 1,00,000) + ₹ 7,00,000 (Provision for Income Tax)	-30 -11 2a	e1
		_	11,00,000
3.	Profit/Loss	Total	39,77,000
	Net Profit/Loss () for the year Profit/Loss () Brought Forward	nen o Cn	5,08,000
		Total	5,08,000
4.	Appropriations Transfer to Statutory Reserve (25% of Net Profit) Transfer to Other Reserves	Contractors Scientificade Specificade	1,27,000
	Proposed Dividend (10% on ₹ 10,00,000)	8:35-1 1	1,00,00
	Balance carried over to Balance Sheet	CUREGES	2,81,00
1	strated by formerses 11. (altera à tur mulai 10)	Total	5,08,00
12	SCHEDULE 13-INTEREST EARNED		
1.	Interest on Advances/Discount on Bills (₹ 40,60,000 + ₹ 10,000 – ₹ 15,000	3.844	1 816-
2.	Income on Investments)	40,55,00
3.	Gia to track a start	r tumorib	Bill Berry
4.	Others	(an deparent)	en e
	o d tibu A case		
25	child and a limit on a limit of the second s	Total	40,55,00

	SCHEDULE 14-OTHER INCOME	A AL DIGEN
2. R	commission, Exchange and Brokerage tent Received profit on Sale of Investment	₹ 1,80,000 60,000
3. P	Total	1,90,000 4,30,000
1000	SCHEDULE 15-INTEREST EXPENDED	
2. In	nterest on Deposits nterest on RBI/Inter Bank Borrowings others	₹ 24,04,000
850	Total	24,04,000
1.440 P.	SCHEDULE 16-OPERATING EXPENSES	
2. 3. 4. 5. 6. 7. 8. 9.	Payments to Provision for Employees Rent, Taxes and Lighting Printing and Stationery Advertisement and Publicity Depreciation on Bank's Property Director's Fees, Allowance and Expenses Auditor's Fees and Expenses	₹ 2,10,000 1,08,000 48,000 25,000 24,000 3 8,000 40,000
11.	Insurance Preliminary Expenses Total	10,000 4,73,000

PROBLEM 7. How will you disclose the following Ledger balances in the Final Accounts of DVD bank :

and an end where the second second second second	Mar Al and Dell's prepare -	(₹	in la	akhs)
Current Accounts D 200-250	Baine Control - Si e a		13	700
Saving Accounts	gan in putter in an ine	No.		500
Fixed Deposits 🛇				700
Cash Credits (doubtful for more than 5 years)	presently box test	Mai	18.	600
Term Loans	little dire container na 1991	12.		500
Bills Discounted and Purchased	durant and to strength	ina!		800

Additional Information :

- (i) Included in the current accounts ledger are accounts overdrawn to the extent of ₹ 250 lakhs.
- (ii) One of the cash credit account of ₹ 10 lakhs (including interest ₹ 1 lakh) is doubtful.
- (*iii*) 60% of term loans are secured by government guarantees, 20% of cash credits are unsecured, other portion is secured by tangible assets.

 A. Demand Deposits (700 – 250) B. Saving Bank Deposits C. Term Deposits 	₹ in lakh; 450 500 700
	1,650
SCHEDULE 9 : ADVANCES	
 (i) Bills Discounted and Purchased (ii) Cash Credits and Overdrafts (600 + 250) (iii) Term Loans 	₹ in lakhs - 800 850 500
	2,150
 (i) Secured by Tangible Assets (Bal. Fig.) (ii) Secured by Bank/Government Guarantees (500 × 60%) (iii) Unsecured (600 × 20%) 	1,730 300 120 2,150
	2,130
CHEDULE 5 : OTHER LIABILITIES AND PROVISIONS	
ther (Provision for Doubtful Debts)	₹ in lakhs 10
ROFIT AND LOSS ACCOUNT (AN EXTRACT)	
ess : Provision for Doubtful Debts*	<i>₹ in lakhs</i> 10
lote : It is assumed that the cash credit has been in 'doubtful' category for more than three	e vears.

		-	
100 g	<i>(</i> i)	Interest and Discount	₹ in '000
			ev & mark store of lathball cip \$17,060
	(u)	Interest on Balances with RBI	G2 042 60
003	(iii)	Income on Investments	beenderent bert bernar 6\$4,720
	(iv)	Profit on Exchange Transactions	1,460
-	(v)	Loss on Sale of Investments	and have all informations.
20 21	(vi)	Profit on Sale of Investments	100 naak instants ont al habition in 540
aler	(vii)	Commission, Exchange and Brokerage	the attern the add to sate any 3,040
(viii)	Profit on Sale of Land, Buildings & Other As	sets 1,680

	Tree and a	NTEREST EARN		Year ended 31-3-2018
I. Interest/Discount on /A II. Income on Investment III. Interest on Balances w IV. Others	S			₹ in '000 17,060 4,720 60
Constant of the second				21,840
(ii)	SCHEDULE 14-	OTHER INCOM		
	27			Year ended 31-3-2018
 (i) Commission, Exchange (ii) Profit on Sale of Invest Less : Loss on Sale of Less (iii) Profit on Sale of Land (iv) Profit on Exchange Transmission 	tments f Investment , Buildings and Other As	sets	₹ in '000 540 100	₹ in '000 3,040 440 1,680 1,460
Nas				6,620
PROBLEM 9. Given 2018 : Bills discounted	REBATE ON BILLS below is an extract from ed (or unexpired disco	m the Trial Balar		March 31, <i>Cr</i> . ₹ ('000)
	(or anonprica disco	unt)		N
on April 1, 2017				8

Amount	Due Date	Rate of Discount
₹	2018	% p.a.
1,40,000	June 4	5
4,36,000	June 10	4.5
2,82,000	June 24	6
3,80,000	July 5	4

Find out the amount of discount to be credited to Profit and Loss Account and pass appropriate Journal Entries for the same. How the relevant items will appear in Bank's Balance Sheet ?

Due Date of Bill	No. of Days after 31st March	Amount ₹	Rate of Discount % p.a.	To Anr Disca ₹	ount	DUNT Proportionate for Days 31st Ma ₹		after	
2018	Now Doi al			14000	14000/5		1		
June 4	65 1000	1,40,000	5	- 7,0		1,24	6 (<i>i.e.</i> 7,0	$000 \times \frac{65}{365}$	
June 10	1 71 Jan 1	4,36,000	4.5	436000	.4	3,81	1	365 $20 \times \frac{71}{365}$	
June 24	n 1851/2	2,82,000	6	262000	262000 6		1	365 20 $\times \frac{85}{365}$	
July 5	96	3,80,000	4	360 500	00	3,99	1	00 1	
	a w B X	and close a	e li se a se g			13,00	0	365/	
No.			DISCOUNT	ACCOUNT			-		
2018	1		₹	2018	1		12-1-27-12-21/2	T	
March 31	To Unexpired		`	March 31	BUS	undries		₹	
	count 31-3		13,000	" 31			Discount	85,000	
" 31	" P/L A/c (B	al. fig.)	80,000		A	/c (1-4-	2017)	0.000	
			93,000				2017)	8,000	
CAN STREET				4 ALCOS	Site day	el destales	CORPAN	93,000	
2018	1		JOURNAL	ENTRIES	1.34	16 1 24	and take of the	274 Br.	
Mar. 31	Unexpired D						₹	₹	
	Unexpired Di To Discou	ISCOUNT A/C	and the second second second			Dr.	8,000		
				2012 - TAN 22				8,000	
	year, credite	d to Discount	brought forwa	rd from the	previo	IS		120	
Mar. 31	Discount A/c		~~()	Par alin a	1. 21. March	ad and	1.0 IVI-1 11	1.00 -	
mar. or						Dr.	13,000	1.6	
-0050	(Being the p of the year)	ired Discount rovision for u	A/c nexpired disco	unt require	d at the	end		13,000	
" 31	Discount A/c				1 A		and in the sec	b Alina	
	To Profit	and Loss A/c			HU 101	Dr.	80,000	and the star	
	(Being disco	unt earned for	the year 2017	10 transfer		2	Apr. 1 15 194	80,000	
			tile year 2017	- 18 transfer	red)	_	A		
	81 	the fullowing on Disco 11	BALANCE As on 31-	SHEET	alanos a	db affld	add to decla	ak nt	
Liabilitie		N.83 8					Income	E (1000)	
-	bilities & Provis	ions					7	₹ ('000)	
	d Discount			b and	5		000.85		
or		5.403		Wi star				1.372	
	n Bills Discount	ed					000, al., t	13	
Assets				inter 2d			0.001		
Advances				2 (h)			000.064		
	ounted							1,264	

PROBLEM 10. On 31st March, 2017, Uncertain Bank Ltd., had a balance of ₹ 9 crores in "Rebate on Bills Discounted Account". During the year ended 31st March, 2018, Uncertain Bank Ltd. discounted bills of exchange of ₹ 4,000 crores charging interest at 18% per annum, the average period of discount being for 73 days. Of these, bills of exchange of ₹ 600 crores were due for realisation from the acceptors/customers after 31st March, 2018, the average period outstanding after 31st March, 2018 being 36.5 days. Uncertain Bank Ltd. asks you to pass Journal Entries and show the ledger accounts pertaining to :

(i) Discounting of bills of exchange and (ii) Rebate on bills discounted. SOLUTION

Uncertain Bank Ltd.

		JOURNA	LENTRIE	S			(₹ in Crores)
1.1	Rebate on Bills Discounted To Discount on Bills A/o (Being transfer of opening discounted to Discount on B	halance in r	ebate on t	Dr. Dills	DE	₹ 9	
	Bills Purchased and Discour To Discount on Bills A/o	ted A/c	i P	Dr.	12. 16	4,000	
	(₹ 4,000 crores × 1 To Clients A/c (Being bills discounted during	/					144 3,856
31-3-18	Discount on Bills A/c (₹ 600 crores × 18/100 × 3 To Rebate on Bill Disco	$\frac{36\cdot 5}{365}$	i hadir i Age	Dr.		10-80	1.55
	(Being unexpired portion o discounted carried forward)	of discount in	respect of	of bills	a a archite	ara Kuluti. Mariti	10-80
123	Discount on Bills A/c To Profit & Loss A/c (Being income on bills of transferred to P & L A/c)	discounted o	during the	Dr. 9 year		142.20	142-20
	DISC	COUNT ON B	ILLS ACC	OUNT	1.21		₹ in Crores)
10.0 R	To Rebate on Bills Discounted A/c To Profit & Loss A/c	₹ 10·80 142·20	1-4-2017 2017-18	Disc By Bills	ate on Bi ounted A Purchas ounted A	lls Vc ed &	₹ 9·00
221.3	DISCOUNTED	153.00	F IL S		ouniou y		144·00 153·00
	REBATE	ON BILLS	DISCOUNT	ED A/C		(₹ in Crores)
1-4-2017 31-3-2018	To Discount on Bills A/c To Balance c/d	₹ 9·00 10·80	1-4-2017 31-3-2018	By Balar By Disco	nce b/d bunt on E	1	₹ 9·00 10·80
DD	3.036.65	<u> 19·80</u>					19.80
p.a. :	OBLEM 11. Following I	Bills have bee	en discoun	ted by a l	oank du	ring year 2	017 @ 5%
Hare Line And	Date of Bill (i) Dec. 28, 2017 (ii) July 27, 2017 (iii) Oct. 27, 2017 (iv) Dec. 20, 2017	<i>Amount (₹)</i> 50,000 1,00,000 4,00,000 30,000	Perio	d in Mont 1 4 6 2	hs	6	e Parets

Find out the amount of unexpired discount and make its entry.

Date of Bill	Period in Months	Due Date of the Bill	of No. of D after Dec		ount	Rate of Discount p.a.		scount for E ec. 31 i.e. U Discou	nexpired
2017 Dec. 28	1	Jan. 31, 201	8 31	₹ 50,0		5		₹ 212	allou for
1	1			12 14 19 19 19 19 19 19 19 19 19 19 19 19 19	1		1	$50,000 \times \frac{5}{100}$	$\frac{1}{5} \times \frac{31}{365}$
July 27	4	Nov. 30	Nil	1,00,	000	5		Nil	
Oct. 27	6	April 30, 201	18 120	4,00,	000	5	1	6,575	20 5
Dec. 20	2	Feb. 23, 201	8 54	30,0	000	5	14	$00,000 \times \frac{12}{36}$	5 × 100
ari May 11	1			2. 1 7.5	a RÚ ((3	$30,000 \times \frac{54}{365}$	$5 \times \frac{5}{100}$
- 9 73	-			in a			14.2	7,009	
2017	16hd		JOURN	AL ENTRY	1	and the second sec	a el l	Like and	
	iscount A/	c			-51		Dr.	₹	
PRO	Being the p f the year) BLEM 1	2. On 31st N Pate of Bill	unexpired disc March, 2018 <i>Tern</i>	a bank he	eld th	ie followi Discounted	ng b	Amount o	nted by
PROP PROP PROP PROP	Being the p f the year) BLEM 1 D Ja Fe	2. On 31st M Date of Bill 2018 2018 2018 2018 2018 2018 2018 2018	unexpired disc March, 2018 Tern (m	a bank ho ns of Bill conths) 4 3	eld th	ne followi Discounted @ % p.a. 17 18	ng b	ills discour Amount o ₹ 3,65,0 7,30,0	nted by f BIU 00 00
PROE earlier : 1 2 3 You ar ntry for th	Being the p f the year) BLEM 1 Ja Fe M e required e rebate.	2. On 31st M 2. On 31st M 2018 2018 2018 2018 2018 2018 2018 2018	unexpired disc March, 2018 Term (m e the Rebate	a bank ho ns of Bill conths) 4 3 3 on Bill Di	eld th D	ne followi Discounted @ % p.a. 17 18 17.5 nted. Also	ng b	ills discour <i>Amount o</i> ₹ 3,65,0 7,30,0 1,82,0 w necessar	<i>f BIU</i> 00 00
PROE earlier : 1 2 3 You ar ntry for th SOLUTIC	Being the p f the year) BLEM 1 Ja Fe M e required e rebate.	2. On 31st M 2. On 31st M 2018 an. 17 ebruary 7 farch 9 d to calculat CALCULA Due Date of Bill	unexpired disc March, 2018 Tern (m	a bank ho ns of Bill conths) 4 3 3 on Bill Di	eld th D iscour ILLS Rat Disc	e followi Discounted @ % p.a. 17 18 17.5 nted. Also DISCOUN te of	o sho ITED Disco	ills discour Amount o ₹ 3,65,0 7,30,0 1,82,0 w necessar ount for Days 0 31 i.e. Une	nted by of <i>B111</i> 00 00 09 y journa
PROE earlier : 1 2 3 You ar ntry for th SOLUTIC Date of Bill 2018	Being the p f the year) BLEM 1 Ja Fe M e required e rebate. DN Term of Bill (Months)	2. On 31st M 2. On 31st M 2018 an. 17 2018 an. 17 2018 d to calculat CALCULA Due Date of Bill 2018	unexpired disc March, 2018 Tern (m te the Rebate TION OF REE No. of Days after 31st March	a bank he ns of Bill onths) 4 3 3 on Bill Di BATE ON B Amount	eld th D iscour ILLS Rat Disc	e followi Discounted @ % p.a. 17 18 17.5 nted. Also DISCOUN te of count	o sho ITED Disco	ills discour Amount o ₹ 3,65,0 7,30,0 1,82,0 w necessar ount for Days 0 31 i.e. Une Discount	nted by of <i>B111</i> 00 00 09 y journa
PROE earlier : 1 2 3 You ar ntry for th SOLUTIC Date of Bill 2018	Being the p f the year) BLEM 1 Ja Fe M e required e rebate. DN Term of Bill	2. On 31st M 2. On 31st M 2018 an. 17 ebruary 7 farch 9 d to calculat CALCULA Due Date of Bill	unexpired disc March, 2018 Tern (m e the Rebate TION OF REE No. of Days after 31st	a bank he ns of Bill onths) 4 3 3 on Bill Di BATE ON B Amount of Bills	eld th D iscour ILLS Rat Disc p.	e followi Discounted @ % p.a. 17 18 17.5 nted. Also DISCOUN te of count a.	ing b o sho ITED Disco March	ills discour Amount o ₹ 3,65,0 7,30,0 1,82,0 w necessar ount for Days n 31 i.e. Une Discount ₹ 8,500	nted by of <i>B111</i> 00 00 09 y journa s after expired
PROE earlier : 1 2 3 You ar ntry for th SOLUTIC Date of Bill 2018 anuary 17	Being the p f the year) BLEM 1 Ja Fe M e required e rebate. DN Term of Bill (Months)	2. On 31st M 2. On 31st M 2018 an. 17 ebruary 7 farch 9 d to calculat CALCULA Due Date of Bill 2018 May 20 May 10	Anthe	a bank he ns of Bill onths) 4 3 on Bill Di BATE ON B Amount of Bills	eld th D iscour ILLS Rat Disc p. 17	e followi Discounted @ % p.a. 17 18 17.5 nted. Also DISCOUN te of count a. 7%	ing b t o sho ITED Disco March ₹ 3,65	ills discourt Amount o $\overline{\epsilon}$ 3,65,0 7,30,0 1,82,0 w necessar punt for Days 1 i.e. Une Discount $\overline{\epsilon}$ 8,500 5,000 × $\frac{17}{100}$ 4,400	ated by of <i>BIII</i> 00 00 09 y journs s after expired $\times \frac{50}{365}$
PROE arlier : 1 2 3 You ar ntry for th OLUTIC Date of Bill 2018 anuary 17 ebruary 7	Being the p f the year) BLEM 1 Ja Fe M e required e rebate. DN Term of Bill (Months) 4	2. On 31st M 2. On 31st M 2018 an. 17 ebruary 7 farch 9 d to calculat CALCULA Due Date of Bill 2018 May 20	Anthe Anthe States March, 2018 Term (m te the Rebate TION OF REE No. of Days after 31st March 50	a bank he ns of Bill onths) 4 3 on Bill Di BATE ON B Amount of Bills ₹ 3,65,000	eld th D iscour ILLS Rat Disc p. 17	ne followi Discounted @ % p.a. 17 18 17.5 nted. Also DISCOUN te of count d a. 7% (;	ing b o sho ITED Disco March 1 ₹ 3,65 1 ₹ 7,30	ills discourt Amount o $\overline{\xi}$ 3,65,0 7,30,0 1,82,0 w necessar ount for Days 0 31 i.e. Une Discount $\overline{\xi}$ 8,500 5,000 $\times \frac{17}{100}$ 4,400 0,000 $\times \frac{18}{100}$	ated by of <i>BIII</i> 00 00 09 y journs s after expired $\times \frac{50}{365}$
PROP earlier : 1 2 3 You ar entry for th SOLUTIC Date of Bill	Being the p f the year) BLEM 1 Ja Fe M e required e rebate. DN Term of Bill (Months) 4 3	2. On 31st M 2. On 31st M 2018 an. 17 ebruary 7 farch 9 d to calculat CALCULA Due Date of Bill 2018 May 20 May 10	Anthe Rebate March, 2018 Tern (m te the Rebate TION OF REE No. of Days after 31st March 50	a bank he ns of Bill onths) 4 3 3 on Bill Di BATE ON B Amount of Bills ₹ 3,65,000 7,30,000	eld th D iscour ILLS Rat Disc p. 17	e followi <i>Discounted</i> @ % p.a. 17 18 17.5 nted. Also DISCOUN te of count d a. 7% (3 5%	ing b o sho ITED Disco March ₹ 3,65 1 ₹ 7,30	ills discourt Amount o $\overline{\epsilon}$ 3,65,0 7,30,0 1,82,0 w necessar punt for Days 1 i.e. Une Discount $\overline{\epsilon}$ 8,500 5,000 × $\frac{17}{100}$ 4,400	ated by of <i>BIll</i> 00 00 y journa s after expired $\times \frac{50}{365}$ $\times \frac{40}{365}$

	JOURNAL ENTRY			Ŧ
31-3-2018	Discount A/c To Rebate on Bills Discounted A/c (Being the provision for unexpired discount require end of the year)	Dr. ed at the	₹ 29,270	29,270

PROBLEM 13. Following balances are extracted from the Trial Balance as at 31-3-2018; Interest/Discount on Advances/Bills(Cr.) ₹ 98,00,000; Rebate for Bills Discounted (Cr.) ₹ 20,000 and Bills Discounted and Purchased ₹ 4,00,000. It is ascertained that the proportionate discounts not yet earned for bills to mature in 2017-18 amounts to ₹ 14,000. Prepare Ledger Accounts.

SOLUTION INTEREST/DISCOUNT ON ADVANCES/BILLS ACCOUNT

2018 March 31 "	To Rebate on Bills Discounted A/c To Profit & Loss A/c	₹ 14,000 98,06,000	2017 April 1 2017-18 March 31	By Rebate on Bills Discounted A/c By Advances and Bills Purchased and Discounted A/c	₹ 20,000 98,00,000
ANDES	and a state of a state	98,20,000	lane -		98,20,000
	REBATE	ON BILLS DI	SCOUNTED	ACCOUNT	
2017 April 1 2018 March 31	To Interest/Discount on Advances/Bills A/c To Balance c/d	₹ 20,000 14,000	2017 April 1 2018 March 31	By Balance b/d By Interest/Discount on Advances/Bills A/c	₹ 20,000 14,000
and beau	all during of 000,000 period	34,000	The Parts		34,000

INTEREST ON DOUBTFUL DEBTS

PROBLEM 14. On 31st December 2017, loan ledger of a Bank showed an unsecured loan of ₹ 4,00,000 on which ₹ 20,000 has accrued as interest. The financial position of customer was doubtful. During the year 2018 bank accepted 75 paise in a rupee on account of total debt. Prepare necessary accounts and journal to record the transactions.

JULU	TION JOURNAL ENTRIES			and the second second
2017 Dec. 31		₹ Ir.	₹ 20,000	20,000
2018	Cash A/c To Customer's Loan A/c (Receipt of 75 paise in a rupee of the amount due from th customer)	1 160	3,15,000	3,15,000
	Interest Suspense A/c Du To Interest A/c to Customer's Loan A/c (Being 75% of Interest Suspense received treated as income ar balance transferred to Customer's Loan A/c)	Restored a	20,000	15,000 5,000
064	Bad Debts A/c Dr To Customer's Loan A/c (Amount irrecoverable treated as bad debt)	r.	1,00,000	1,00,000

51418		Ledg CUSTOME	ger's Acc R'S LOAI	counts N ACCOUNT	
2017 Dec. 31	To Balance b/d To Interest Suspense A/c	₹ 4,00,000 20,000	2017 Dec. 31	By Balance c/d	₹ 4,20,000
		4,20,000	1.1.1.1	a later of a MIL	4,20,000
2018 Jan. 1	To Balance b/d	4,20,000	?	By Cash A/c By Interest Suspense A/c By Bad Debts A/c	3,15,000 5,000 1,00,000
		4,20,000	1.		4,20,000
004.03	146 PT 11 1	NTEREST	SUSPENS	E ACCOUNT	
2017 Dec. 31	To Balance c/d	₹ 20,000	2017 Dec. 31	By Customer's Loan A/c	₹ 20,000
2018		1	2018		10-62
?	To Interest A/c To Customer's Loan A/c	15,000 5,000	Jan. 1	By Balance b/d	20,000

PROBLEM 15. On 31st March, 2018 the Loan Account in the books of a bank showed a debit balance of ₹ 2,00,000 including ₹ 40,000 due from a merchant which is doubtful. The interest accrued on this loan upto 31-3-2018 was ₹ 10,000 including ₹ 2,000 on doubtful debts.

20,000 _

20,000

The merchant became insolvent and the official receiver paid a dividend of 25 paise in the rupee on 30-4-2018.

Pass necessary Journal Entries (relating to merchant who became insolvent) in the books of the bank on 31-3-2018 and 30-4-2018 and prepare the Loan Account. built is security without the finance

SOLUTION

101	IDM.	

2018	Construction of any state of the second state of the	₹	₹
March 31	Merchant's Loan Account Dr. To Interest Suspense Account (Interest on doubtful loan credited to Interest Suspense Account)	2,000	2,000
April 30	Cash Account To Merchant's Loan Account (Receipt of 25% of the amount due from merchant on 30-4-2018)	10,500	10,500
April 30	Interest Suspense Account Dr. To Merchant's Loan Account " P. and L. Account	2,000	1,500
000,87 808,87	(25% of Merchant's Loan Account transferred to Interest Account, the balance to Loan Account)	Break A. (2) Nation	500
April 30	Bad Debts Account Dr. To Merchant's Loan Account (Amount Irrecoverable)	30,000	30,000

. 0	MER		LEDGER LOAN ACCO	DUNT	
2018 March 31 " 31	" Interest Suspense A/c	₹ 40,000 2,000	2018 March 31	By Balance c/d	₹ 42,000
OW(32	and the course of shares	42,000	1 and Stephen		42,000
2018 April 1	To Balance b/d	42,000	2018 April 30 " 30 " 30	By Cash "InterestSuspense A/c "Bad Debts A/c	10,500 1,500 30,000
or in the	Provide the later of the second secon	42,000	100		42,000

ADVANCES

PROBLEM 16. From the books of accounts of a bank as on 31st March, 2018 the following particulars regarding loans and advances given by the bank are available :

Advances to Priority Sector ₹ 3,15,00,000 ; Advances to Public Sector ₹ 90,00,000 ; Advances to Other Banks in India ₹ 45,00,000 ; Advances (Others) ₹ 3,60,00,000 ; The details of the above advances are as follows : ; Bills Purchased and Discounted ; (Including ₹ 18,00,000 outside India) ₹ 1,10,00,000 ; Cash Credits, Overdrafts and Loans Payable on Demand ₹ 4,30,00,000 ; Term Loans (Including ₹ 50,00,000 outside India) ₹ 2,70,00,000.

Of the above advances ₹ 6,75,00,000 were secured by tangible assets, ₹ 45,00,000 were secured by Bank and Govt. guarantees and the rest were unsecured.

How are these items to be shown in the Balance Sheet of the bank?

SOLUTION

Schedule 9-Advances (as on 31-3-2018)

1	-	the second s	₹ '000
A. (i)	Bills Purchased and Discounted		11,000
(<i>ii</i>)	Cash Credits, Overdrafts and Lo	bans Payable on Demand	43,000
(iii)	Term Loans		27,000
Ser che	Total		81,000
B. (i)	Secured by Tangible Assets	the start of the second	67 500
(<i>ii</i>)	Covered by Bank/Govt. Guarant	ees	67,500 4,500
(iii)	Unsecured		9,000
		the second se	81,000
C. ()	Advances in India	Concentration of the concentra	81,000
100	(i) Priority Sector		31,500
Withour.	(ii) Public Sector		9,000
	(iii) Banks	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	4,500
	(<i>iv</i>) Others	dates of	29,200
		the set	74,200
(//)	Advances Outside India		.,
	(i) Due to Banks	No. 10 Car	
	(ii) Due to Others		
	(a) Bills Purchased and Di	iscounted	1,800
	(b) Syndicate Loans	here and here were	1,000
	(c) Others		5,000
	() =		
100	Grand Tatal (O Land II)		6,800
and the second sec	Grand Total (C I and II)	A day washing a second and a second sec	81,000

ACCEPTANCES, ENDORSEMENTS AND OTHER OBLIGATIONS A/C

PROBLEM 17. From the following particulars prepare "Acceptances, Endorsements and Others Obligations A/c" as would appear in the general ledger.

On 1-4-2017 acceptances not yet satisfied stood at ₹ 44,60,000. Out of which ₹ 40 lacs were subsequently paid off by clients and bank has to honour the rest. A scrutiny of the acceptance register revealed the following :

Client	Acceptances/Guarantees ₹		Remarks
X Y Z	20,00,000 12,00,000 10,00,000	000,5)-	Bank honoured on 10-6-2017 Party paid off on 30-9-2017 Party failed to pay and bank
A B C	8,00,000 10,00,000 5,40,000	ANTER .	had to honour on 30-11-2017 Not satisfied up 31-3-2018 —Do— —Do—
	65,40,000	44.00.21.4	Advance or Priority footor ?

Strike diff Strike and

1. 1. 1. 1. 1. 1.

SOLUTION

100

2017-18	To Constituents'	₹	1-4-2017	Bu Bul	₹
	Liabilities for Accep-	a statige and	2017-18	By Balance b/d ₹ By Constituents'	44,60,000
	tances/Guarantees etc. (Paid off by	ter beschändlich	15/1 ch tv	Liabilities for	11.0 100 SEC (1
	clients)	40,00,000		Acceptances/ Guarantees etc.	N (Pett N
And The Party	To Constituents' Liabili-		期代的S-F-F-	X 20,00,000	- Adult - it
	ties for Acceptances/ Guarantees) etc.			Y 12,00,000	
	(Honoured by bank)	4,60,000	- 15	Z 10,00,000	an ana bi
10-6-2017	To Constituents'	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	ि (सनी सम्प्रतः)	A 8,00,000 B 10,00,000	and the second
tilde to	Liabilities for Acceptances/		1.5	B 10,00,000 C 5,40,000	0. 10.1
dit :	Guarantees etc.		1	3,40,000	65,40,000
00.0	(Honoured by bank)	20,00,000	badir	aleash skipts i yo te se	the for the
30-9-2017	To Constituents'	,,	- celuir	i stby Bank (sold Guare	14 N.
the second	Liabilities for Acceptances/	1960 - 154 v	19 - S. 199		Paist
O YE	Guarantees etc.			a bei ni acora	Authority
	(Honoured by	90		Totosi? (Prima")	Money
30-11-2017	Customer) To Constituents'	12,00,000	1.11.11.10	Burks addition were	Investory
000	Liabilities for			A. Diheru	Accept.
	Acceptances/	a * 1*			Bill Dia
· · · ·	Guarantees etc.			allow planted and a	Policy white
- I	(Honoured by bank on party's		6-21X	(a) Gue to Barrios	1 2minu?
0,61	failure to pay)	10,00,000	Charlen and	tion beautions in the	
1-3-2018	To Balance c/d	23,40,000		p manual plan any 8 pla.	-0.1
49		1,10,00,000		and the	1 10 00 000
1.	8		1-4-2018	Py Dele	1,10,00,000
			. 12010	By Balance b/d	23,40,000

BILLS FOR COLLECTION

PROBLEM 18. From the following details, prepare Bills for Collection (Asset) Account and Bills for Collection (Liability) Account :

	そ
On 1-4-2017, Bills for Collection were	51,00,000
During the year 2017-18, Bills Received for Collection amounted to	75,00,000
Bills Collected during the year 2017-18	98,47,000
Bills dishonoured and returned during the year	27,10,000
	11

SOLUTION

.

BILLS FOR COLLECTION (ASSET) ACCOUNT

1-4-2017 2017-18	To To	Balance b/d Bills for Collection (Liability) A/c	₹ 51,00,000 75,00,000	2017-18 2017-18 31-3-2018	By By	(Liability) A/c – do –	₹ 98,47,000 27,10,000 43,000
4 4 0010	To	Palanaa h/d					1,26,00,000
1-4-2018	10	Balance b/d BILLS FC	43,000 DR COLLECTI	ON (LIABIL)		ACCOUNT	
-to-	1.0				, , ,		T
2017-18	То	Bills for Collection (Asset) A/c	₹ 98,47,000	1-4-2017 2017-18	By By	Balance b/d Bills for Collection	₹ 51,00,000
2017-18		Bills for Collection (Asset) A/c	27,10,000		15	(Asset) A/c	75,00,000
31-3-18	To	Balance c/d	43,000	a terretari a consistente a con-	1		
"Birne"			1,26,00,000				1,26,00,000
	1			1-4-18	-	Balance b/d	43,000

PREPARATION OF BALANCE SHEET

PROBLEM 19. Prepare Balance Sheet of Bharat Bank Ltd. as at 31st March, 2018 from the following particulars :

. (F)	₹ ('000	The second and the set of the second		₹ ('000)
Paid up Capital	1,000	Customers' Liability for		. (
Authorised Capital	5,000	Acceptances and Endorsements		200
Money at Call and Short Notice		Furniture and Fixtures		100
Investments	3,000	Land and Building		1,700
Acceptances and Endorsements		Loans	47	800
for Customers	200	Cash Credits		300
Bills Discounted and Purchased	400	Current Accounts		2,500
Bills Payable		Fixed Deposits		1,400
Saving Bank Accounts	1,000	Profit for the year		400
		Cash in hand and with RBI		1,000

The Statutory Reserve is equal to paid up capital. The profit for the year is arrived at before making adjustment for unexpired discount ₹ 5,000 on bills discounted during the year not matured on 31st March, 2018.

Investments include 5,000 shares of the face value of ₹ 100 each on which ₹ 50 is paid up. Claims against the Bank not acknowledged as debts amounted to ₹ 50,000.

SOLUTION 19

BHARAT BANK LTD. BALANCE SHEET as on 31st March. 2018 ₹ (

	Schedule	₹ ('000 As on
	No.	31-3-2018
Capital and Liabilities	And the pro-	C - 300 - 5
Capital	ALL ST. DOT OUT	1,000
Reserves & Surplus	2	1,395
Deposits	3	
Borrowings		4,900
Other Liabilities & Provisions	4	
Other Liabilities & Provisions	5	505
Total contract of the second	PT-1 OCT UNIT	7,800
Assets	indontes 3 and man	V Chief of the local division
	and artistica i	
Cash and balances with RBI	6	1,000
Balances with Banks & Money at Call and Short notice	7	500
Investments	8	3,000
Advances	9	1,500
Fixed Deposits	10	1,800
Other Assets	11	_
Total		7,800
Contingent Liabilities	12	250
Bills for Collection	12	- 250
SCHEDULE 1-CAPITAL	3.0.0	₹ ('000)
Authorised Capital		5,000
Paid-up Capital		1,000
		1,000
SCHEDULE 2-RESERVES & SURPLUS	and the second	₹ ('000)
I. Statutory Reserves	f ('000)	19049
	1,000	Gentlemann Post
Additions during the year http://www.ast-tero	99	1 000
		1,099
	h	Migh I the film
Opening Balance of the second second second	la tig	C) basis - not
Additions during the year and the motion of the	and hadd here	the a bet my take
Deductions during the year. And the test of test o		atrisact work
III. Securities Premium Account	istranolocil he	(marine with the second of
Opening Balance		
Additions during the year	A geal Parella	a his
Deductions during the year	COMPANY AND A PROPERTY AND	
IV. Revenue and other Reserves		spine and an in
Opening Balance	216120.003	Anna
Additions during the year		
Additions daming the June	S. TELEVIS Same	
Deductions during the year		
Deductions during the year V Balance in the Profit and Loss Account	WHEN IS THE PROPERTY.	
Deductions during the year V Balance in the Profit and Loss Account	and a mark of	296
Deductions during the year	nin an anna 19 March 19 An 19 March 19 An	296

سنسرا	SCHEDULE 3-DEPOSITS	₹ ('00
1. [Demand Deposits	
11. 5	Saving Bank Deposits	2,500
jii. 1	Term Deposits	1,000
		1,400
51	Total (I II, & III)	4,900
	SCHEDULE 5-OTHER LIABILITIES AND PROVISIONS	₹ ('000
	Bills Payable	500
	Sundry-office Adjustments (net)	500
	Interest Accrued	
IV. (Others (including Provisions <i>i.e.</i> , Unexpired Discount)	5
	Total	505
- 107	SCHEDULE 6-CASH AND BALANCES WITH RESERVE BANK OF IN	IDIA ₹ ('000
ĺ.	Cash in hand	1
	(including foreign currency notes)	a second
	Balances with Reserve Bank of India	1,000
1902	d. Fr	
	Total	1,000
S	CHEDULE 7-BALANCES WITH BANKS & MONEY AT CALL & SHORT	NOTICE ₹ ('000)
l. In In		
l. In In	dia Balances with banks (a) in Current Accounts	
. In In	dia Balances with banks (a) in Current Accounts	
. In In	dia Balances with banks (a) in Current Accounts	
l. In In (/)	dia Balances with banks (a) in Current Accounts (b) in Other Deposit Accounts Money at call and short notice (a) With banks	₹ ('000)
. In In (/)	dia Balances with banks (a) in Current Accounts (b) in Other Deposit Accounts Money at call and short notice	₹ ('000)
. In In (/)	dia Balances with banks (a) in Current Accounts (b) in Other Deposit Accounts Money at call and short notice (a) With banks	₹ ('000) ₹
. In In (i) (ii)	dia Balances with banks (a) in Current Accounts (b) in Other Deposit Accounts Money at call and short notice (a) With banks (b) With other institutions Total (I and II) SCHEDULE 8-INVESTMENTS	₹ ('000) 500
(<i>i</i>) (<i>i</i>)	dia Balances with banks (a) in Current Accounts (b) in Other Deposit Accounts Money at call and short notice (a) With banks (b) With other institutions Total (I and II) SCHEDULE 8-INVESTMENTS	₹ ('000) 500 500
. In In (<i>i</i>) (<i>ii</i>) I. Inve (<i>i</i>)	dia Balances with banks (a) in Current Accounts (b) in Other Deposit Accounts Money at call and short notice (a) With banks (b) With other institutions Total (I and II) SCHEDULE 8-INVESTMENTS	₹ ('000) 500 500
. In In (<i>i</i>) (<i>ii</i>)	dia Balances with banks (a) in Current Accounts (b) in Other Deposit Accounts Money at call and short notice (a) With banks (b) With other institutions Total (I and II) SCHEDULE 8-INVESTMENTS	₹ ('000) 500 500
. In In (i) (ii) I. Inve (i) (ii) (ii) (ii)	dia Balances with banks (a) in Current Accounts (b) in Other Deposit Accounts Money at call and short notice (a) With banks (b) With other institutions Total (I and II) <u>SCHEDULE 8–INVESTMENTS</u> Estments in India in Government securities	₹ ('000) 500 <u>500</u> ₹ ('000)
I. Inve (i) (ii) I. Inve (i) (ii) (ii) (iv) (v)	dia Balances with banks (a) in Current Accounts (b) in Other Deposit Accounts Money at call and short notice (a) With banks (b) With other institutions Total (I and II) SCHEDULE 8-INVESTMENTS estments in India in Government securities Other approved securities Shares Shares Debentures and Bonds Subsidiaries and/or joint ventures	₹ ('000) 500 <u>500</u> ₹ ('000) ₹ ('000)
I. Inve (i) (ii) I. Inve (i) (ii) (ii) (ii)	dia Balances with banks (a) in Current Accounts (b) in Other Deposit Accounts Money at call and short notice (a) With banks (b) With other institutions Total (I and II) SCHEDULE 8-INVESTMENTS Estments in India in Government securities Other approved securities Shares Start Spoor three @ Isseed = Spoor - Solvid at (Score) Debentures and Bonds	₹ ('000) 500 <u>500</u> ₹ ('000) ₹ ('000) 2,750
I. Inve (i) (ii) I. Inve (i) (ii) (ii) (iv) (v)	dia Balances with banks (a) in Current Accounts (b) in Other Deposit Accounts Money at call and short notice (a) With banks (b) With other institutions Total (I and II) SCHEDULE 8-INVESTMENTS Estments in India in Government securities Other approved securities Shares functional Spore them @ weed = Spool - Sopoid of (Scoord) Scher approved securities Shares functional Spore them @ weed = Spool - Sopoid of (Scoord) Debentures and Bonds Subsidiaries and/or joint ventures Others (to be specified) Total	₹ ('000) 500 <u>500</u> ₹ ('000) ₹ ('000) 2,750 3,000
I. In In (i) (ii) (ii) (ii) (ii) (iv) (v)	dia Balances with banks (a) in Current Accounts (b) in Other Deposit Accounts Money at call and short notice (a) With banks (b) With other institutions Total (I and II) SCHEDULE 8-INVESTMENTS Pestments in India in Government securities Other approved securities Shares for the fore there @ losed = \$00000 - \$00000 +	₹ ('000) 500 ₹ ('000) ₹ ('000) 2,750 3,000 ₹ ('000)
I. Inve (i) (ii) (ii) (ii) (ii) (iv) (v) (v) (v)	dia Balances with banks (a) in Current Accounts (b) in Other Deposit Accounts Money at call and short notice (a) With banks (b) With other institutions Total (I and II) SCHEDULE 8-INVESTMENTS Setments in India in Government securities Other approved securities Shares formatic Sport there @ Iwead = Sport - Sopular (Score) Debentures and Bonds Subsidiaries and/or joint ventures Others (to be specified) Total Bills purchased and discounted	₹ ('000) 500 500 ₹ ('000) ₹ ('000) 2,750 3,000 ₹ ('000) 400
I. In In (i) (ii) (ii) (iii) (iii) (iv) (v) (v) (v)	dia Balances with banks (a) in Current Accounts (b) in Other Deposit Accounts Money at call and short notice (a) With banks (b) With other institutions Total (I and II) SCHEDULE 8-INVESTMENTS Stares Structuret Store than @ weat = \$00000 - \$00000 + \$000000 + \$000000 + \$000000 + \$000000 + \$00000 + \$0000000 + \$000000 + \$0000000 + \$000000 + \$000000 + \$000000 + \$000000 + \$000000 + \$000000 + \$000000 + \$000000 + \$000000 + \$000000 + \$000000 + \$000000 + \$000000 + \$000000 + \$0000000 + \$000000 + \$000000 + \$000000 + \$000000 + \$00000000	₹ ('000) 500 ₹ ('000) ₹ ('000) 2,750 3,000 ₹ ('000) 400 300
I. In In (i) (ii) (ii) (ii) (ii) (ii) (iv) (v) (v) (v)	dia Balances with banks (a) in Current Accounts (b) in Other Deposit Accounts Money at call and short notice (a) With banks (b) With other institutions Total (I and II) SCHEDULE 8-INVESTMENTS Setments in India in Government securities Other approved securities Shares formatic Sport there @ Iwead = Sport - Sopular (Score) Debentures and Bonds Subsidiaries and/or joint ventures Others (to be specified) Total Bills purchased and discounted	₹ ('000) 500 500 ₹ ('000) ₹ ('000) 2,750 3,000 ₹ ('000) 400

SCHEDULE 10-FIXED ASSETS	an an an an a sheet an a	₹ ('00
I. Land and Building II. Furniture & Fixtures	the Drucett	1,700 100
Total		1,800
SCHEDULE 11-OTHER ASSETS		₹ ('00
	dela	Nil
SCHEDULE 12-CONTINGENT LIABILIT	TIES	₹ ('00
Acceptances and Endorsement for Customers	A STATE OF MAL	200
Claims against bank not acknowledged as debts		50
Total		
Total		250
PROBLEM 20. From the following particulars prepare Bank Ltd. as on 31st March, 2018 :	Balance Sheet	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
adk of India	(₹ in '000)	(₹ in '000
Share capital	((11 000)	1,00
Reserve fund		1,60
Fixed deposits 5th 15		4,00
Savings bank deposits and the random of actions in the	1946 LAR	6,00
Current accounts 1		22,00
Money at call and short notice in India	200	,
Bills discounted and purchased in India 34139	900	B*[3142
Investments at cost :	- 53-13-0 - A S	
Central and State Governments -securities	STRUCCOS . M	
-debentures	10,000	-
-bullion	400	and an other states
Reserve for buildings	2,400	and a state of
Premises at cost		1,00
Addition to premises v	10,000	-
Depreciation fund on premises 5	2,000	-
Cash with Reserve Bank of India &	2 100	8,00
Cash with State Bank of India	3,400	49 . 210 . 4
Unclaimed dividend	1,200	2
Unexpired discount 🍪	control or	5
-	10,000	BOTHER S
Loans, advances, overdrafts and cash credits in India		Charles M
Loans, advances, overdrafts and cash credits in India 199 Branch adjustment 1 other Avel	5 794	
Silver	5,794	
Silver Advance payment of tax N	200	
Branch adjustment V and Aver Silver Advance payment of tax N Interest accrued on investments N	200 110	100 M
Branch adjustment V A And And And And And And And And And A	200	<u>Ka</u> _1
Branch adjustment V A And Silver Silver Advance payment of tax N Interest accrued on investments N Non-banking assets acquired S Borrowings from banks in India	200 110 260	25
Branch adjustment V A And Silver Advance payment of tax A Interest accrued on investments Non-banking assets acquired A Borrowings from banks in India Bills payable 4	200 110 260	2,00
Branch adjustment \ Silver Advance payment of tax Interest accrued on investments Non-banking assets acquired Borrowings from banks in India Bills payable 4 Profit & loss account including ₹ 2,10,000 for the year Dividend fluctuation fund	200 110 260	2,00
Branch adjustment V A And Silver Advance payment of tax A Interest accrued on investments Non-banking assets acquired A Borrowings from banks in India Bills payable 4	200 110 260	25 2,00 410 600

The bank has bills for collection for its constituents ₹ 3,00,000 and acceptances ₹ 4,00,000. W There was a claim of ₹ 2,00,000 against the bank but not acknowledged as debt. The liability for bills rediscounted was ₹ 32,000. Liability for forward exchange contract was ₹ 20,00,000. 2 The directors decided to reserve ₹ 2,000 for unexpired discounts and transfer reserve for building to depreciation fund.

SOLUTION 20

PROGRESSIVE BANK LTD. BALANCE SHEET as on 31st March, 2018

110001

		1617	Schedule No.	₹ ('000 As on 31-3-2018
Capital ar	nd Liabilities			
Capit			1 044	1,000
	erves & Surplus		2	2,608
Depo			3	32,000
	owings		4	250
	r Liabilities & Provisions		5	11,076
Ourie			Court man	46,934
	Total	Total		40,934
ssets				0 100
	and Bank Balance with RBI	THE TAR COSTS	6	3,400
	nces with Banks & Money at Call and Short N	otice	7	1,400
	stments		8	12,800
	inces		9	10,900
	Assets	referred by we	10	12,000
Othe	r Assets		11	6,434
	Total	13,12) 1		46,934
Cont	ingent Liabilities		12	2,632
Bills	for Collection	GAR OTHER	E 7-BALLINE	300
1.0	SCHEDULE 1	-CAPITAL		₹ ('000
sued, S	SCHEDULE 1 ubscribed and Called-up Capital	-CAPITAL		₹ ('000 1,000
ssued, S		-CAPITAL	nonta e ne ne	
		a an an Israe Israe	LUS	1,000
0.1	ubscribed and Called-up Capital SCHEDULE 2-RESE	a an an Israe Israe		1,000
I. S	ubscribed and Called-up Capital SCHEDULE 2-RESE tatutory Reserves	a an an Israe Israe	₹ ('000)	1,000
I. S	ubscribed and Called-up Capital SCHEDULE 2-RESE tatutory Reserves pening Balance	a an an Israe Israe	₹ ('000) 1,600	1,000 1,000 ₹ ('000
I. Si O Ar	ubscribed and Called-up Capital SCHEDULE 2-RESE tatutory Reserves pening Balance dditions during the year (25% of 208)	a an an Israe Israe	₹ ('000)	1,000
I. SI O Ad D	ubscribed and Called-up Capital SCHEDULE 2-RESE tatutory Reserves pening Balance dditions during the year (25% of 208) eductions during the year	a an an Israe Israe	₹ ('000) 1,600	1,000 1,000 ₹ ('000
I. SI O Ar II. C	ubscribed and Called-up Capital SCHEDULE 2-RESE tatutory Reserves pening Balance dditions during the year (25% of 208) eductions during the year apital Reserve	a an an Israe Israe	₹ ('000) 1,600	1,000 1,000 ₹ ('000
I. Si O Ad II. C O	ubscribed and Called-up Capital SCHEDULE 2-RESE tatutory Reserves pening Balance dditions during the year (25% of 208) eductions during the year apital Reserve pening Balance	RVES & SURP	₹ ('000) 1,600	1,000 1,000 ₹ ('000
I. Si O Ad II. C O Ad	ubscribed and Called-up Capital SCHEDULE 2-RESE tatutory Reserves pening Balance dditions during the year (25% of 208) eductions during the year apital Reserve pening Balance dditions during the year	RVES & SURP	₹ ('000) 1,600 52	1,000 1,000 ₹ ('000 1,652
I. Si O Ad II. C O Ad D	Ubscribed and Called-up Capital SCHEDULE 2-RESE tatutory Reserves pening Balance dditions during the year (25% of 208) eductions during the year apital Reserve pening Balance dditions during the year eductions during the year eductions during the year	RVES & SURP	₹ ('000) 1,600 52	1,000 1,000 ₹ ('000
I. S. O A II. C O A III. S	ubscribed and Called-up Capital SCHEDULE 2-RESE tatutory Reserves pening Balance dditions during the year (25% of 208) eductions during the year apital Reserve pening Balance dditions during the year eductions during the year eductions during the year eductions during the year eductions during the year ecurities Premium Account	RVES & SURP	₹ ('000) 1,600 52	1,000 1,000 ₹ ('000 1,652
I. SI O Ar II. C O Ar D III. S O	ubscribed and Called-up Capital SCHEDULE 2—RESE tatutory Reserves pening Balance dditions during the year (25% of 208) eductions during the year apital Reserve pening Balance dditions during the year eductions during the year eductions during the year ecurities Premium Account pening Balance	RVES & SURP	₹ ('000) 1,600 52	1,000 1,000 ₹ ('000 1,652
I. S O A II. C O A III. S O A	ubscribed and Called-up Capital SCHEDULE 2—RESE tatutory Reserves pening Balance dditions during the year (25% of 208) eductions during the year apital Reserve pening Balance dditions during the year eductions during the year ecurities Premium Account pening Balance dditions during the year	RVES & SURP	₹ ('000) 1,600 52	1,000 1,000 ₹ ('000 1,652
I. SI O A II. C O A III. S O A D	Ubscribed and Called-up Capital SCHEDULE 2—RESE tatutory Reserves pening Balance dditions during the year (25% of 208) eductions during the year apital Reserve pening Balance dditions during the year eductions during the year ecurities Premium Account pening Balance dditions during the year ecurities Premium Account pening Balance dditions during the year eductions during the year eductions during the year	RVES & SURP	₹ ('000) 1,600 52	1,000 1,000 ₹ ('000 1,652
I. Si OA II. C OA III. S OA III. S OA III. S OA	Ubscribed and Called-up Capital SCHEDULE 2—RESE tatutory Reserves pening Balance dditions during the year (25% of 208) eductions during the year apital Reserve pening Balance dditions during the year eductions during the year ecurities Premium Account pening Balance dditions during the year ecurities Premium Account pening Balance dditions during the year ecuritions during the year eductions during the year	RVES & SURP	₹ (′000) 1,600 52	1,000 1,000 ₹ ('000 1,652
I. Si OA II. C OA III. S OA III. S OA IV. R D	Ubscribed and Called-up Capital SCHEDULE 2—RESE tatutory Reserves pening Balance dditions during the year (25% of 208) eductions during the year apital Reserve pening Balance dditions during the year eductions during the year ecurities Premium Account pening Balance dditions during the year eductions during the year evenue and other Reserves ividend Equalisation Reserve	RVES & SURP	₹ (′000) 1,600 52	1,000 1,000 ₹ ('000 1,652 600
I. Si OA II. C OA III. S OA III. S OA IV. R D	Ubscribed and Called-up Capital SCHEDULE 2—RESE tatutory Reserves pening Balance dditions during the year (25% of 208) eductions during the year apital Reserve pening Balance dditions during the year eductions during the year ecurities Premium Account pening Balance dditions during the year ecurities Premium Account pening Balance dditions during the year ecuritions during the year eductions during the year	RVES & SURP	₹ (′000) 1,600 52	1,000 1,000 ₹ ('000 1,652

Ι.	Demand Deposits	₹(
11.	Saving Bank Deposits	22,000
Ш.	Term Deposits	6,000
	Total	4,000
		32,000
1	SCHEDULE 4-BORROWINGS Borrowings in India	₹
-		250
-	Total	250
	SCHEDULE 5-OTHER LIABILITIES AND PROVISIONS	₹ (
I.	Bills Payable	2,000
II. III.	Unexpired Discount (50 + 2)	52
	Unclaimed Dividend	24
IV.	Others (including provisions) Depreciation Fund	
	Total	9,000
	Total	11,076
	SCHEDULE 6-CASH AND BALANCES WITH RESERVE BANK OF IN	DIA ₹(
I.	Cash in hand	
II.	(including foreign currency notes)	The state of the
	Balances with Reserve Bank of India	3,400
	Total	3,400
	SCHEDULE 7-BALANCES WITH BANKS & MONEY AT CALL & SHORT	0,100
	A CARLES AND A REAL AND A	NOTICE ₹(
(i) (ii)	Cash with State Bank of India	
(<i>ii</i>)	Money at call and short notice	
		1,200
	Total	200
ndari.	Total	
	Total SCHEDULE 8-INVESTMENTS	200
	Total SCHEDULE 8-INVESTMENTS estments in India in	200
(1)	Total SCHEDULE 8-INVESTMENTS estments in India in Government securities	200 1,400 ₹ (
(i) (ii)	Total SCHEDULE 8-INVESTMENTS estments in India in Government securities Other approved securities	200
(i) (ii) (iii)	Total SCHEDULE 8—INVESTMENTS estments in India in Government securities Other approved securities Shares	200 1,400 ₹ (
(i) (ii)	Total SCHEDULE 8—INVESTMENTS estments in India in Government securities Other approved securities Shares Debentures and Bonds	200 1,400 ₹ (10,000
(i) (ii) (iii) (iv)	Total SCHEDULE 8—INVESTMENTS estments in India in Government securities Other approved securities Shares Debentures and Bonds Subsidiaries and/or joint ventures	200 1,400 ₹ (
(i) (ii) (iii) (iv) (v)	Total SCHEDULE 8—INVESTMENTS estments in India in Government securities Other approved securities Shares Debentures and Bonds Subsidiaries and/or joint ventures Others (to be specified) Bullion	200 1,400 ₹ (10,000
(i) (ii) (iii) (iv) (v)	Total SCHEDULE 8—INVESTMENTS estments in India in Government securities Other approved securities Shares Debentures and Bonds Subsidiaries and/or joint ventures	200 1,400 ₹ (10,000 400
(i) (ii) (iii) (iv) (v)	Total SCHEDULE 8—INVESTMENTS estments in India in Government securities Other approved securities Shares Debentures and Bonds Subsidiaries and/or joint ventures Others (to be specified) Bullion Total	200 1,400 ₹ (10,000 400 2,400 12,800
(i) (ii) (iii) (iv) (v)	Total SCHEDULE 8—INVESTMENTS estments in India in Government securities Other approved securities Shares Debentures and Bonds Subsidiaries and/or joint ventures Others (to be specified) Bullion Total SCHEDULE 9—ADVANCES Bills purchased and discounted	200 1,400 ₹ (10,000 400 2,400 12,800
(<i>i</i>) (<i>ii</i>) (<i>iii</i>) (<i>iv</i>) (<i>v</i>) (<i>v</i>)	Total SCHEDULE 8—INVESTMENTS estments in India in Government securities Other approved securities Shares Debentures and Bonds Subsidiaries and/or joint ventures Others (to be specified) Bullion Total ECHEDULE 9—ADVANCES Bills purchased and discounted Cash credits, overdrafts and loans repayable on demand	200 1,400 ₹ (10,000 - 400 2,400 12,800 ₹ (
(<i>i</i>) (<i>ii</i>) (<i>iii</i>) (<i>iv</i>) (<i>v</i>) (<i>v</i>)	Total SCHEDULE 8—INVESTMENTS estments in India in Government securities Other approved securities Shares Debentures and Bonds Subsidiaries and/or joint ventures Others (to be specified) Bullion Total SCHEDULE 9—ADVANCES	200 1,400 ₹ (` 10,000 400 -2,400 12,800 ₹ (`
(<i>i</i>) (<i>ii</i>) (<i>iii</i>) (<i>iv</i>) (<i>v</i>) (<i>v</i>)	Total SCHEDULE 8—INVESTMENTS estments in India in Government securities Other approved securities Shares Debentures and Bonds Subsidiaries and/or joint ventures Others (to be specified) Bullion Total ECHEDULE 9—ADVANCES Bills purchased and discounted Cash credits, overdrafts and loans repayable on demand	200 1,400 ₹ (10,000 400 2,400 12,800 ₹ (900

-		
	SCHEDULE 10-FIXED ASSETS	₹ ('000
Ι.	Premises At cost as on 31st March, 2017 Additions during the year Total	12,000
	SCHEDULE 11-OTHER ASSETS	₹ ('000)
(i) (ii) (iii) (iV) (V)	Branch Adjustment Silver Advance Payment of Tax Interest Accrued on Investment Non-banking Assets Total	5,794 200 110 260 70 6,434
	SCHEDULE 12-CONTINGENT LIABILITIES	₹ ('000)
1. 2. 3. 4.	Claims against the Bank not acknowledged as debts Liabilities on account of outstanding forward exchange contracts Liability on Bills Discounted Acceptances, Endorsements and Other Obligations	200 2.000 32 400
	Total	2,632

PROBLEM 21. Following ledger balances of the Bontay Bank Ltd. as at 31st March, 2018 are furnished to you. You are required to prepare the Balance Sheet as per the requirements of law after making such adjustments as you consider necessary.

	₹ ('000)		₹ ('000)
Reserve Fund	600	Cash in hand	500
Local Bills Discounted	1,800	Profit and Loss Account	220
Furniture		Fixed Deposits	4,000
Investments		Unclaimed Dividends	10
Cash Credits and Overdrafts		Paid-up Capital	2,000
Current Saving Deposits	3,800	Loans from Other Banks	1,200
Participating Certificates Purchased	500	Loans to Customers	600
Stamps and Stationery		Provision for Contingencies	170
Balance with Reserve Bank	1,300	Premises	1,000

Further particulars are furnished : (1) Market value of the investment is ₹ 9,00,000. (2) Rebate on bills discounted is calculated at ₹ 5,000. (3) No credit has been taken for interest of ₹ 7,000 on certain sticky advances which are not yet considered as doubtful. (4) Loans from other Banks are secured to the extent of ₹ 5,00,000 against a charge on investment. **SOLUTION** 21

BONTAY BANK LTD. BALANCE SHEET as on 31st March. 2018

	as on Sist March, 2010		(₹ '000)
- years	Strate Contraction	Schedule No.	As on 31-3-2018
Capital and Liabilities			
Capital		1	2,000
Reserves & Surplus		2	822
Deposits		3	7,800
		•	• •

Borrowings Other Liabilities & Provisions	4 5	1,200
		185
Total	COLUMN STREET	12,007
Assets	and and the state	ACC IN COLUMN
Cash and Bank Balance with RBI	6	1,800
Balance with Banks & Money at Call and Short Notice Investments	8	-
Advances	9	1,450
Fixed Assets	10	7,700
Other Assets	11	1,040
Total	and the second	17
	10	12,007
Contingent Liabilities Bills for Collection	12	
SCHEDULE 1-CAPITAL		₹ ('0
ssued, Subscribed and Called-up Capital		2,000
ensue d'inducement : l'inangen que tradita		2,000
SCHEDULE 2-RESERVES & SURPL	JS	₹ ('00
I. Statutory Reserve II. Capital Reserve		600
Additions during the year		
III. Securities Premium Account Opening Balance Additions during the year Deductions during the year		n-crist-i erci emieteri
 III. Securities Premium Account Opening Balance Additions during the year Deductions during the year IV. Revenue and other Reserves Opening Balance 		1-001-
 III. Securities Premium Account Opening Balance Additions during the year Deductions during the year IV. Revenue and other Reserves Opening Balance 		n-crist-i erci emieteri
 III. Securities Premium Account Opening Balance Additions during the year Deductions during the year IV. Revenue and other Reserves Opening Balance Additions during the year 	bates-r Marine-r	n-crist-i erci emieteri
 III. Securities Premium Account Opening Balance Additions during the year Deductions during the year IV. Revenue and other Reserves Opening Balance Additions during the year Deductions during the year 		tianti - nici onterest ora in calo in
 III. Securities Premium Account Opening Balance Additions during the year Deductions during the year IV. Revenue and other Reserves Opening Balance Additions during the year Deductions during the year V. Balance in Profit and Loss Account (220 + 7 - 5) 	batter-r stinger-r - tr stinger-	
 III. Securities Premium Account Opening Balance Additions during the year Deductions during the year IV. Revenue and other Reserves Opening Balance Additions during the year Deductions during the year V. Balance in Profit and Loss Account (220 + 7 - 5) Total (I, II, III, IV and V) 	batter-r stinger-r - tr stinger-	tianti - nici onterest ora in calo in
 III. Securities Premium Account Opening Balance Additions during the year Deductions during the year IV. Revenue and other Reserves Opening Balance Additions during the year Deductions during the year V. Balance in Profit and Loss Account (220 + 7 - 5) Total (I, II, III, IV and V) 	Sates-r Sates-r Shadop-riste Chapp- Chapp- No. Shado Real-	
 III. Securities Premium Account Opening Balance Additions during the year Deductions during the year IV. Revenue and other Reserves Opening Balance Additions during the year Deductions during the year V. Balance in Profit and Loss Account (220 + 7 - 5) Total (I, II, III, IV and V) <u>SCHEDULE 3-DEPOSITS</u> I. Demand Deposits (i) From Banks (ii) From others 	Batter Batter Charges	- 222 822 ₹ ('00
 III. Securities Premium Account Opening Balance Additions during the year Deductions during the year IV. Revenue and other Reserves Opening Balance Additions during the year Deductions during the year V. Balance in Profit and Loss Account (220 + 7 - 5) Total (I, II, III, IV and V) <u>SCHEDULE 3-DEPOSITS</u> I. Demand Deposits (<i>i</i>) From Banks (<i>i</i>) From others II. Current Saving Bank Deposits 	Batter Batter Charges	- 222 822 ₹ ('00
 III. Securities Premium Account Opening Balance Additions during the year Deductions during the year IV. Revenue and other Reserves Opening Balance Additions during the year Deductions during the year V. Balance in Profit and Loss Account (220 + 7 - 5) Total (I, II, III, IV and V) <u>SCHEDULE 3-DEPOSITS</u> I. Demand Deposits (<i>i</i>) From Banks (<i>i</i>) From others II. Current Saving Bank Deposits 	batters- diantes- cionque c	222 822 ₹ ('00 3,800
 III. Securities Premium Account Opening Balance Additions during the year Deductions during the year IV. Revenue and other Reserves Opening Balance Additions during the year Deductions during the year V. Balance in Profit and Loss Account (220 + 7 - 5) Total (I, II, III, IV and V) <u>SCHEDULE 3-DEPOSITS</u> I. Demand Deposits (<i>i</i>) From Banks (<i>ii</i>) From others II. Current Saving Bank Deposits III. Term Deposits 	batters- diantes- cionque c	222 822 ₹ ('00 3,800 4,000
 III. Securities Premium Account Opening Balance Additions during the year Deductions during the year IV. Revenue and other Reserves Opening Balance Additions during the year Deductions during the year Deductions during the year V. Balance in Profit and Loss Account (220 + 7 - 5) Total (I, II, III, IV and V) SCHEDULE 3-DEPOSITS I. Demand Deposits (i) From Banks (ii) From others II. Current Saving Bank Deposits III. Term Deposits III. Term Deposits 	batters- diantes- cionque c	222 822 ₹ ('00 3,800 4,000 7,800
 III. Securities Premium Account Opening Balance Additions during the year Deductions during the year V. Revenue and other Reserves Opening Balance Additions during the year Deductions during the year V. Balance in Profit and Loss Account (220 + 7 - 5) Total (I, II, III, IV and V) SCHEDULE 3-DEPOSITS I. Demand Deposits (i) From Banks (ii) From others II. Current Saving Bank Deposits III. Term Deposits III. Term Deposits Total 	batters- diantes- cionque c	222 822 ₹ ('00 3,800 4,000
 III. Securities Premium Account Opening Balance Additions during the year Deductions during the year N. Revenue and other Reserves Opening Balance Additions during the year Deductions during the year Deductions during the year V. Balance in Profit and Loss Account (220 + 7 - 5) Total (I, II, III, IV and V) <u>SCHEDULE 3-DEPOSITS</u> I. Demand Deposits (<i>i</i>) From Banks (<i>ii</i>) From others II. Current Saving Bank Deposits III. Term Deposits Total 	batters- diantes- cionque c	222 822 ₹ ('00 3,800 4,000 7,800
 III. Securities Premium Account Opening Balance Additions during the year Deductions during the year IV. Revenue and other Reserves Opening Balance Additions during the year Deductions during the year Deductions during the year V. Balance in Profit and Loss Account (220 + 7 - 5) Total (I, II, III, IV and V) SCHEDULE 3-DEPOSITS I. Demand Deposits (i) From Banks (ii) From others II. Current Saving Bank Deposits III. Term Deposits III. Term Deposits 	batters- diantes- cionque c	222 822 ₹ ('00 3,800 4,000 7,800

-	Solution and the second second second	and the second second
and borrowings included in La u	Total (I and II)	1,200
ured borrowings included in I & II	above₹	500
SCHEDULE -		500
SCHEDULE 5	-OTHER LIABILITIES AND PROVISIONS	₹ ('00
I. Rebate on Bills Discounted	1.000	e in an
II. Unclaimed Dividends		5
III. Others (including provisions)		10
Provision for Contingencies		170
	Total (I and II)	
	and a second sec	185
SCHEDULE 6-CASH AN	D BALANCES WITH RESERVE BANK OF INDIA	₹ ('000
I. Cash in hand	Provide Paral	1
(including foreign currency no		500
II. Balances with Reserve Bank	of India	1,300
(i) in Current Account	Listo T	1,000
(ii) in Other Accounts		
000)	SCHEDULE ** - TIXED A TOTAL	1,800
del have been the same in		1,000
SCHEDULE 7-BALANCI	ES WITH BANKS & MONEY AT CALL & SHORT	NOTICE
		Nil
S S	CHEDULE 8-INVESTMENTS	₹ ('000)
I. Investments in India in	a statutery	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
(i) Government securities		
		950
(ii) Other approved securities	17/07	950
(<i>ii</i>) Other approved securities (<i>iii</i>) Shares	1707	950 — —
 (ii) Other approved securities (iii) Shares (iv) Depentures and Bonds 	Total	950
 (ii) Other approved securities (iii) Shares (iv) Debentures and Bonds (v) Subsidiaries and/or joint ver 	ntures that she call and call and a set of the set of t	
 (ii) Other approved securities (iii) Shares (iv) Depentures and Bonds 	articipating Certificates	- - 500
 (ii) Other approved securities (iii) Shares (iv) Debentures and Bonds (v) Subsidiaries and/or joint ver (vi) Others (to be specified) : Page 1 	articipating Certificates	
 (ii) Other approved securities (iii) Shares (iv) Debentures and Bonds (v) Subsidiaries and/or joint ver (vi) Others (to be specified) : Pa II. Investments outside India in 	Inticipating Certificates	- - 500
 (ii) Other approved securities (iii) Shares (iv) Debentures and Bonds (v) Subsidiaries and/or joint ver (vi) Others (to be specified) : Pa II. Investments outside India in (i) Government securities 	Total	- - 500
 (ii) Other approved securities (iii) Shares (iv) Debentures and Bonds (v) Subsidiaries and/or joint ver (vi) Others (to be specified) : Pa II. Investments outside India in (i) Government securities (including local authorities) 	Total	- - 500
 (ii) Other approved securities (iii) Shares (iv) Debentures and Bonds (v) Subsidiaries and/or joint ver (vi) Others (to be specified) : Pa II. Investments outside India in (i) Government securities (including local authorities) (ii) Subsidiaries and/or joint ver 	Total	
 (ii) Other approved securities (iii) Shares (iv) Debentures and Bonds (v) Subsidiaries and/or joint ver (vi) Others (to be specified) : Pa II. Investments outside India in (i) Government securities (including local authorities) (ii) Subsidiaries and/or joint ver (iii) Other investments (to be specified) 	Total Total ntures abroad becified)	
 (ii) Other approved securities (iii) Shares (iv) Debentures and Bonds (v) Subsidiaries and/or joint ver (vi) Others (to be specified) : Pa II. Investments outside India in (i) Government securities (including local authorities) (ii) Subsidiaries and/or joint ver (iii) Other investments (to be specified) 	Total	
 (ii) Other approved securities (iii) Shares (iv) Debentures and Bonds (v) Subsidiaries and/or joint ver (v) Others (to be specified) : Pa II. Investments outside India in (i) Government securities (including local authorities) (ii) Subsidiaries and/or joint ver (iii) Other investments (to be specified) 	Total ntures abroad becified) Total	
 (ii) Other approved securities (iii) Shares (iv) Debentures and Bonds (v) Subsidiaries and/or joint ver (v) Others (to be specified) : Pa II. Investments outside India in (i) Government securities (including local authorities) (ii) Subsidiaries and/or joint ver (iii) Other investments (to be specified) 	Total Total Total Grand Total : (I & II) SCHEDULE 9-ADVANCES	
 (ii) Other approved securities (iii) Shares (iv) Debentures and Bonds (v) Subsidiaries and/or joint ver (v) Others (to be specified) : Pa II. Investments outside India in (i) Government securities (including local authorities) (ii) Subsidiaries and/or joint ver (iii) Other investments (to be specified) 	Total Total Total Grand Total : (I & II) SCHEDULE 9-ADVANCES	
 (ii) Other approved securities (iii) Shares (iv) Debentures and Bonds (v) Subsidiaries and/or joint ver (v) Others (to be specified) : Pa II. Investments outside India in (i) Government securities (including local authorities) (ii) Subsidiaries and/or joint ver (iii) Other investments (to be specified) 	Total Total Total Decified) Total Grand Total : (I & II) SCHEDULE 9-ADVANCES	

В. ((і	 i) Secured by tangible assets i) Covered by Bank/Government guaran 	tees	the second se
(iii	· · · ·	th bris h toto?	C. YAL
1.50	Total	ovnan H & T ni bebuloni epi	7,700
(i)	and the second se	BOHEDULE S-OTHEN UMBAU	and the second sec
(ii) (iii) (iv) Banks	e telle. Discounted	n bi nat menuti
Ċ	Total	norma provinciona). Por Contingencias	7,700
II. Adv	vances outside India) Due from banks	Tetal (Land II)	
(ii)	 Due from others (a) Bills purchased and discounted (b) Syndicated loans (c) Others 	NHE 6-CASH AND PALANCES 407 0000 1000000000000000000000000000000	94108
04	Total	i vin Reserve ^m enk of India Menn Annual	7,700
78	SCHEDULE 10	-FIXED ASSETS	₹ ('000
	Premises Furniture	ULE 7 -BALANICES WER FAMILES	1,000 40
	Total		1,040
696	SCHEDULE 11	-OTHER ASSETS	₹ ('000)
. 1. 2.	Stamps and Stationery Accrued Interest	01 sukoj * Bolio, rojen storen	10
	Total	folituona bevorae	17

PROBLEM 22. On 31st March, 2018 the following balances stood in the books of Asian Bank Limited, after preparation of its Profit and Loss Account :

1. 1. 1.	₹ ('000)	the second s	= (1000)
Share Capital (authorised and issued)	:	Cash in hand	₹ ('000) 380
80,000 shares of ₹ 100 each, ₹ 50 paid	4,000	Cash with Reserve Bank of India Cash with other Banks	10,000
Statutory Reserve (under Sec. 17) Fixed Deposits	6,510	Bills Discounted and Purchased	6,000 3,800
Savings Bank Deposits	42,600 19,000	Cicuits and Overdraffs	51,000 70
Current Accounts Money at Call and Short Notice	23,200 1,800	Unclaimed Dividends	60
Government Securities	9,000	Short Loans (Cr.)	50 4,750
Other Investments Profit and Loss Account (Credit)	16,000	Furniture and Fixtures (after	4,750
31-3-2018	2,190	depreciation upto 31st March, 2018 ₹ 1,36,000)	1,164
Premises (after depreciation upto 31st March, 2018 ₹ 4,50,000)	2,950	Inter Office Adjustments	1,101
515t Watch, 2016 (4,50,000)	2,950	(debit balance)	336