

## Department of Commerce (CA)

I M. Com (CA) - II Semester.

Advanced Corporate Accounting - 18MCC21C  
- Reddy & Murthy.

UNIT - III - Prepared by DR. P. SRIDHAR

### Banking Company Accounts :-

Any Company which engages itself in the manufacture of goods or carries on any trade and accepts deposits of money from the public for financing its business activities will not be treated as doing business of banking.

### Legal Requirements to Prepare Final Accounts of Banking Co.,

1. Prescribed form ; d. Accounting year
3. Prohibition of Trading ; 4. Non-banking Assets ; 5. Share Capital ; 6. Reserve Fund
7. Payment of dividend. 8. Payment of commission, brokerage ; 9. Cash Reserve.
10. Statutory Reserve ;

## Accounts to be Prepared:-

- I. Profit & Loss A/c - Schedule NO. 13 - 16.  
II. Balance sheet - Schedule NO. 1 - 12.

Pro. No. ① From the following Particulars, Prepare a Profit & Loss A/c of New Bank Ltd., for the year ended 31.03.2019.

	Rs.
Interest on loans	2,60,000
Interest on Fixed deposits	2,80,000
Rebate on Bills discounted	50,000
Commission charged to customers	9,000
Establishment expenses	50,000
Discount on bills discounted	2,00,000
Interest on current A/c.	45,000
Printing & Stationery	3,000
Interest on cash credits	2,25,000
Rent & Taxes	20,000
Interest on overdraft	50,000
Director's and Auditor's fees	4,000
Interest on S.B. A/c.	70,000
Postage & Telegrams	2,000
Sundry Charges.	2,000

(3)

P&L A/c.

Schedule No.	Current year Rs.	Previous year Rs.
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I. Income :-

Interest Earned.

13

7,41,000

Other Income

14

9,000

7,50,000

II Expenditure :-

Interest Expended

15

3,95,000

Operating Expenses

16

87,000

Provisions & contingencies.

4,82,000

III Profit/Loss :-

Net Profit for the year (I-II)

2,68,000

Profit brought forward

2,68,000

IV Appropriations :-

Transfer to Statutory Reserve.  
(25% on 2,68,000)

67,000

Transfer to Other Reserves.

—

Transfer to Govt./Proposed dividend

—

Balance carried over to Balance Sheet

2,01,000

2,68,000

Problem No. ②.

(A)

On 31st March 2020, the following Balances stood in the books of Asian Bank Ltd., after preparation of its P&L A/c.

	Rs. '000
Share Capital	
Reserve fund.	4000
Fixed Deposits	6200
Savings Bank Deposits.	42600
current A/c.	19000
Money at call & short notice	23200
Investments	1800
P&L A/c (cr) - 1.4.2019.	25200
Dividend for 2018-2019.	1350
Premises.	400
Cash in hand	2950
Cash with RBI.	380.
Cash with Other Banks	10000
Bills discounted and purchased	6000
Loans, cash credits & overdrafts.	3,800
Bills Payable.	51000
Unclaimed dividend	70 <del>000</del>
Rebate on bills discounted	60
	50

Short loans.	4,750
Furniture	1,164
Other Assets	336
Net Profit for 2020.	1550

Prepare Balance Sheet of the bank as on 31st March 2020.

Balance Sheet as on 31.03.2020.

Particulars	Schedule NO.	As on 31.3.2020. Rs.
<u>Capital &amp; Liabilities :-</u>		
Capital	1	4000
Reserves & Surplus	2	8700
Deposits	3	84800
Borrowings	4	4750
Other Liabilities & Provisions	5	180
		<u>1,02,430</u>
<u>Assets :-</u>		
Cash & Balance with RBI	6	10380
Balance with Banks & ?	7	7800
Money at call & Short notice	8	25000
Investments	9	54800
Advances	10	4114
Fixed Assets	11	336
Other Assets		<u>1,02,430</u>
Contingent Liabilities	12	NIL NIL