

B.COM. DEGREE END SEMESTER EXAMINATION - MARCH 2019**SEMESTER – 4: COMMERCE (CORE COURSE)****COURSE: 15U4RCOM10 – SPECIAL ACCOUNTING***(Common for Regular 2017 admission and improvement 2016/ supplementary 2016/2015 admission)*

Time: Three Hours

Max. Marks: 75

SECTION A*Answer all questions. Each question carries 2 marks.*

1. What do you mean by rebate on bills discounted?
2. Explain ex-interest quotations.
3. What is Double voucher system in a bank?
4. What is consequential loss?
5. What is indemnity period?
6. What do you mean by short sales?
7. What is double insurance?
8. What do you mean by under insurance?
9. What is Annuity?
10. Explain Slip system of posting: (2 x 10 = 20)

SECTION B*Answer any five questions. Each question carries 5 marks*

11. What are the objectives of Farm Accounting?
12. What are the statutory books to be maintained by an insurance company?
13. From the following information, find out the amount of provision to be shown in the profit and loss account of a commercial bank on the assumption that Sub-standard and doubtful assets are fully secured.

Assets	Amount
Standard	4000
Sub-Standard	2000
Doubtful up to 1 year	900
Doubtful up to 3 years	400
Doubtful for more than 3 years	300
Loss Assets	500

14. The following balances have been extracted from the books of Adharsh Bank Ltd. as on 31st March 2016. You are required to show how these items will appear in the Profit and loss account of the bank.

Profit before charging bad debt and provisions = Rs. 4,30,000 ;

Bad debt = Rs. 1,00,000 ;

Provision required for bad and doubtful debts = Rs. 1,40,000 ;

Required provision for taxation is 40% net profit.

15. A fire occurred in the premises of Cotton Traders on June 15, 2015 and a considerable part of stock was destroyed. The value of stock saved was Rs.5,000. The books disclosed that on 1st April 2015, the stock was valued at Rs.60,000. The purchases up to the date of fire amounted to Rs.1,40,000 and the sales to Rs.2,50,000. On investigation, it was found that during the past five years, the average gross profit on sales was 30%. You are required to prepare a statement showing the amount of claim from the insurance company in respect of stock destroyed by fire.
16. From the following information available from the books of Samruthy Bank Ltd as on 31.03.2016, calculate the rebate on bills discounted as on 31.03.2016 and prepare Discount received account.

Bills Discounted	1,37,05,000
Rebate on bills discounted (01-04-2015)	2,21,600
Discount received	10,56,650

Details of bills discounted are as follows:

Value of The bill (Rs)	Due date	Rate of discount
18,25,000	05-06-16	12%
50,00,000	12-06-16	12%
28,20,000	25-06-16	14%
40,60,000	06-07-16	16%
1,37,05,000		

17. From the following information of a bank, find out the income to be recognized for the year ended 31.03.2016 in respect of Interest on advances (in lakhs) as given below:

	Performing Assets		Non-performing assets	
	Interest Earned	Interest received	Interest earned	Interest received
Term loan	260	200	120	40
Cash credits and overdrafts	1600	1400	400	100
Bills purchased and discounted	400	300	120	60

(5 x 5 = 25)

SECTION C

Answer **any three** questions. Each question carries **10** marks

18. Briefly explain the classification of advances of a bank for the purpose of computing provision.
19. Mr. A held on 1st January 2014, Rs.1,00,000 of 3.5% Government Loan at Rs.95,000. Three months interest had accrued. On 31st May, he purchased a further Rs.40,000 of the Loan @ 96 (net) cum-interest. On 31st July, Rs.30,000 of the Loan was sold at 94 (net) ex-interest. On 30th November Rs.20,000 of the Loan was sold at 96 (net) cum-interest. Interest on the Loan was paid each year on 31st March and 30th September and was collected on 4th April and 5th October. The price of the Loan on 31st December 2014 was Rs.96. Draw up the Government Loan (Investment) Account. (Ignore Income-tax)

20. Prepare Profit and loss account of Bharath Bank Ltd. from the following information

	Rs.('000)
Interest and discount	12180
Income from investments	460
Interest on balance with RBI	720
Commission, Exchange and brokerage	3280
Profit on sale of investments	440
Interest on deposits	4900
Interest to RBI	644
Payment to and provision for employees	4176
Rent, rates and lighting	840
Printing and stationery	720
Advertisement and publicity	380
Depreciation	368
Directors' fees	880
Auditors fees	480
Law charges	920
Postage and telephone	280
Insurance	224
Repairs and maintenance	192

Other information:

- Interest and discount mentioned above is after adjustment for the following:

	Rs. ('000)
Tax provision for the year	880
Provision during the year for doubtful debts	408
Loss on sale of investments	48
Rebate on bills discounted	232
	1568

- 25% of the profit is to be transferred to statutory reserve
- 5% of profit is transferred to revenue reserve
- Profit brought forward from the last year Rs.64,000

21. The life fund of a Life Insurance Company was Rs.14,80,400 as on 31st March 2012. The interim bonus paid during the intervention period was Rs.32,000. The periodical actuarial valuation determined the net liability at Rs.13,42,500. Surplus brought forward from the previous valuation was Rs.1,48,000. The directors of the company prepared to carry forward Rs.1,03,900 and to divide the balance between the shareholders and the policy holders in the ratio of 1:10. You are required to show (a) Valuation Balance sheet, (b) Net profit for the valuation period and (c) Distribution of surplus.

22. A severe fire broke out in the premises of Bad Luck Ltd on 1st July 2015 and the business activities were practically disorganized up to 30th November 2015. The following information was available from the books of the firm.

	Rs.
Actual sales from 1 st July 2015 to 30 th November 2015	60,000
Sales from 1 st July 2014 to 30 th November 2014	2,00,000
Net Profit for the last financial year	90,000
Total standing charges for the year	72,000
Insured standing charges for the last year	60,000
Turnover for the last financial year	5,00,000
Turnover for the year ending 30 th June 2015	5,50,000

The company incurred additional expenses amounting to Rs.9,000 which reduced the loss in turnover. There was a saving of Rs.2,486 during the indemnity period.

The company holds a loss of profit policy for Rs.1,65,000 having an indemnity period for 6 months. There has been a considerable increase in trade and it had been agreed that an adjustment of 20% has made in respect of upward trend in turnover.

Compute claim under 'loss of profit policy' assuming that all sales during indemnity period were because of additional cost.

(10 x 3 = 30)
