

Name.....Reg. No.....

B.COM DEGREE END SEMESTER EXAMINATION OCTOBER 2016

SEMESTER - 5: COMMERCE (CORE COURSE)

COURSE: U5RCOM14 - SPECIAL ACCOUNTING

Time: Three Hours

Max. Marks: 75

PART- A

*Answer **all** questions. Each question carries **one mark***

1. Define Banking Company
2. What is Non banking assets ?
3. What is meant by CRR ?
4. What is Double Insurance ?
5. What is annuity ?
6. What is Reversionary Bonus ?
7. What is Realisation Account ?
8. What is meant by dissolution of a firm.
9. Define Investment
10. What is meant by Right shares ?

(1 x 10 = 10)

PART- B

*Answer **any eight** questions. Each question carries **two marks**.*

11. What is slip system of Posting?
12. Give the format of a Bank Balance Sheet.
13. State the difference between Bonus in cash and Bonus in reduction of premium.
14. What is meant by General Insurance. Give examples.
15. Distinguish fixed income bearing securities from variable income bearing securities.
16. State the differences between Cum-Interest and Ex-Interest transaction.
17. Explain the situations where a court may order the dissolution of the partnership firm.

18. What is Garner Vs Murray ruling?

19. On 1st March 2015, X Ltd purchased 3000 12% debentures of Rs.100 each at Rs.96 each cum interest. Interest is payable half yearly on 30th June and 31st December every year. Show journal entries in the books of C Ltd for the financial year ended 31st December 2015.

20. On 20th May 2013, a fire occurred in the premises of ABC Ltd. From the following information calculate the amount of claim for the loss of stock which was insured.

Stock on 1-1-2013	Rs.
2,50,000	
Purchases from 1-1-2013 to the date of fire	Rs.10,00,000
Wages paid	Rs.
2,00,000	
Other direct expenses	Rs.
1,00,000	
Sales from 1-1-2013 to the date of fire	Rs.15,00,000
Gross Profit Ratio is 15% Stock salvaged	Rs.
50,000	
	(2 x 8 = 16)

PART- C

Answer **any five** questions. Each question carries **five marks**

21. What is the Valuation Balance Sheet? Give a specimen of it.

22. Explain the differences between Realisation Account and Revaluation Account?

23. Explain the following terms.

- | | |
|--------------------|-----------------|
| a) Claims | d) Re insurance |
| b) Surrender Value | e) Endowment |
| | Policy |
| c) Premium | |

24. Prepare the Fire Insurance Revenue A/c for the year ended 31st March 2015 from the following information.

		Rs.
Rs.		
Premium Received	13,00,000	Claims unpaid :
Re-Insurance premium	1,00,000	On 1-4-2014

paid			50,000
		On 31-3-2015	
			80,000
Claims paid	4,90,000	Provision against	
Commission	3,00,000	unexpired risk on 1-4-	
		2014	5,50,000
Legal Expenses	10,000	Expenses of	2,00,000
regarding claims		Management	,000

25. On April 1, 2010, Mr. Sam had 20,000 Equity shares in X Ltd. Face Value of the shares was Rs.10 each

but their book value was Rs. 16 per share.

On June 1, 2010, Mr. Sam purchased 5000 Equity shares in X Ltd. more @ Rs.14 each . On June 30 ,2010,

the directors of X Ltd. announced a bonus issue. Bonus was declared at the rate of one Equity share for

every five shares held and these shares were received On August 2, 2010.

Show Investment Account up to August 2, 2010.

26. The Popular Bank Ltd. has the following bills in its advance Portfolio on 31st March 2003.

Sl.No.	Date of Bill	Rs.	Term (months)	Date of Maturity
1	Feb .11	5,000	4	June 14, 2004
2.	Feb. 16	6,000	3	May 19, 2004
3.	March. 7	4,000	4	July 10, 2004

The rate of Discount is 10%. Calculate the Rebate on Bills discounted and the necessary journal entries.

27. Following was the position of the firm of A, B and C, equal partners, on dissolution :

Balance Sheet

Liabilities	Rs.	Assets	Rs.
Capital :		Cash	4,000
A	6000	Realisation loss	3,000
B.	3000	C's Capital - Overdrawn	2,000
	9000		9000

C is insolvent. Close the books of the firm

a) Ignoring the decision in Garner Vs Murray and

b) Following the decision in Garner Vs Murray

(5 x 5 = 25)

PART- D

*Answer **any two** questions. Each question carries **twelve marks**.*

28. Explain the following

a - Modes of Dissolution of Firm.

b - Settlement of A/cs at the time of Dissolution

c - Various assets in the Balance sheet of a Bank

29. The Life Insurance Fund of an Insurance Company on 31-3-2012 was Rs.60 lakhs before providings for

dividend of Rs.20,000 for the year 2011-2012. While ascertaining the above fund figure, the following

items were omitted:

1. Interest received on investments Rs.63 ,000 after deduction of tax at source 10%.

2. Bonus utilized for reduction of premium Rs.14,000

3. Death claim intimated, but not yet admitted Rs.36,000

4. Death claim covered under re-insurance Rs.12,000

5. Consideration for annuities granted Rs.9,000

Interim bonus for the valuation period paid was Rs.80,000

Net liability as per valuation was Rs.50 lakhs. It is now proposed to carry forward Rs.2,70,000

The company declared a reversionary bonus of Rs.12 per Rs. 1000 and gave the policy holders an option to get the bonus in cash for Rs.5 per Rs.1000. Total business of the company is Rs.15 crores, 40 % of the policy holders decided to get bonus in cash

Prepare :

1. Valuation Balance Sheet as on 31-3-2012

2. Distribution statement showing the amount due to policy holders as bonus.

30. From the following particulars, prepare P & L A/c of safety Bank for the year end 31-3-2005

Rs.('000)

Rs ('000)

Interest on Deposits	3200	Discount on Bill discounted	14
			90
Commission (Cr.)	100	Interest on Overdraft	16
			00
Interest on loan		Interest on Cash credit	23
2490			20
Sundry charges (Dr.)	100	Auditor's Fees	35
Rent & Taxes		Director's Fees	16
200			
Payment to employees	500	Bad debts to be written off	30
			0

31. From the following particulars ascertain the claim to be lodged in respect of the consequential loss policy

- Fire occurred on July 1, 2002 and affected sales for 3 months
- Sales for 3 months ending 30th September in 2001 and 2002 were Rs.1,50,000 and Rs. 50,000 respectively.
- The policy was for Rs. 4,50,000 with a six months period of indemnity.
- Sales for 12 months ended June 30, 2001 were Rs.19,00,000
- A/cs are prepared on 31st December. The net profit for 2001 amounted to Rs.2,50,000 after debiting standing charging Rs.1,10,000. Sales for 2001 were Rs.18,00,000.
- A sum of Rs.3500 was spent as additional expenses to mitigate the effect of the loss

(12 x 2 = 24)
