

B. COM DEGREE END SEMESTER EXAMINATION - MARCH 2024**SEMESTER 4 - COMMERCE****COURSE : 19U4RCOM14 - SPECIAL ACCOUNTING***(For Regular - 2022 Admission and Improvement / Supplementary - 2021/2020/2019 Admissions)*

Time : Three Hours

Max. Marks: 75

PART A**Answer any 10 (2 marks each)**

1. How will you transfer current investments to long term investments?
2. How is bonus shares treated in investment accounts?
3. What is valuation balance sheet?
4. What is Reverse Repo Rate?
5. Give any four examples for expenses in fishery farm accounts
6. What are Standard Assets ?
7. What are the different types of insurance claims under fire policies?
8. Which are the regulations related to insurance business in India?
9. What are policyholders' funds?
10. Give two examples each for income and expenses in poultry farm accounting.
11. What do you mean by loss of stock policy?
12. What do you mean by fire insurance?

(2 x 10 = 20)**PART B****Answer any 5 (5 marks each)**

13. From the following information, calculate the amount of premium to be credited to Revenue Account:

Particulars	Rs.
Premium received during 2018-19	30,00,000
Outstanding premium on 31-3-2019	60,000
Premium received in advance on 31-3-2019	1,45,000
Outstanding premium on 1-4-2018	1,80,000
Premium received in advance on 1-4-2018	1,00,000
Bonus in reduction of premium to be Adjusted	30,000
Reinsurance premium of the year	1,90,000

14. Explain the special features of farm accounting.
15. On 31st March 2018 Loan Account in the books of a bank showed a debit balance of Rs 3,00,000 including Rs 24,000 due from a merchant which is doubtful. The interest accrued on this loan upto 31-3-2018 was Rs 15,000 including Rs 3,000 on doubtful debts. The merchant became insolvent and the official receiver paid a dividend of 50 paise in the rupee on 30-4-2018. Pass necessary journal entries relating to Merchant's Loan Account which is doubtful in the books of the bank on 31-3-2018 and 30-4-2018 and prepare Merchant's Loan Account.
16. B & L Ltd. furnishes the following details relating to his holding in 8 % Debentures (Rs. 100) of P Ltd. held as current assets.

01.04.2017	Opening Balance – Face value – Rs. 1,20,000 and cost Rs. 1,18,000
01.07.2017	Purchased 100 Debentures ex- interest at Rs. 98
01.10.2017	Sold 200 Debentures ex-interest at Rs. 100
01.01.2018	Purchased 50 Debentures at Rs. 98 cum- interest
01.02.2018	Sold 200 Debentures ex-interest at Rs. 99

1. Due date of interest is 30th Sept and 31st March.
2. B&L Ltd. closes books on 31.03.2018. Brokerage at 1% is to be paid for each transaction.
3. Show investment account as it would appear in his books. Assume FIFO method. market value of 8%

Debentures of P Ltd. on 31.03.2018 is Rs. 99

17. Calculate Rebate on bills discounted as on 31st March 2015:

Date of the bill	Amount (Rs.)	Period of the bill	Rate of discounted
10-01-15	70,000	4 month	15%
05-02-15	50,000	5month	16%
01-03-15	90,000	3month	17%
15-03-15	1,00,000	2month	18%

18. From the following you are required to calculate the claims to be debited to Revenue Account for the year ending 31st March, 2017 :

Claims intimated in	2016	2017	2015	2015	2017	2017
Claims admitted in	2016	2017	2016	2016	2018	2017
Claims paid in	2017	2018	2016	2017	2018	2017
amount	7,500	5,000	2,500	6,000	4,000	51,000

19. On 10th December,2015 fire occurred in the premises of a traders M/s Ganpath. Most of the stock was destroyed ,with the cost of salvaged stock being Rs.12,750 .In addition, some stock was salvaged in damaged condition and its value was estimated at Rs.5,250.From the books of accounts ,the following particulars were available:

- I. Stock on 1st April, 2015 Rs.70, 500
- II. Purchase from 1.4.15 Rs.2,49,000
- III. Sales up to 10.12.15 Rs.3,30,000
- IV. Carriage on purchase and wages Rs.18,000
- V. On the basis of past few years it appears that gross profit rate is 33.33% on cost.
- VI. Stock was insured for Rs.67500.

Compute the amount of claim.

20. On 31/01/19 the life assurance fund of New India Life Assurance Ltd stood at Rs.1,48,60,000.It's net liability as per actuarial valuation stood at 86,00,000.A dividend of Rs.8,00,000 was payable to the shareholders for the year 2010-11,an interim bonus of Rs.4,50,000 was paid to the policy holders during the 2 year period ending 31/03/19.Prepare a statement showing the amount now available as bonus to policyholders.

(5 x 5 = 25)

PART C

Answer any 3 (10 marks each)

21. Given below are the ledger balances of Grand Insurance Corporation as on 31st March,2019 after the preparation of revenue and profit and loss accounts;

	Figures in '000
Cash in hand	300
Cash with other banks	1500
Contingency reserve	200
General reserve	600
Reserve for unexpired risk;	
Fire	800
Marine	700
Premises	750
Share capital:1,00,000 equity shares of Rs 10 each fully called and paid up	1000
Public deposits	500
Profit and loss account balance	150
Mortgage loan	400
Development loans	250
Bank loans	1000
Loan on companies policies	350
O/s premium	120

Sundry creditors	375
O/s expenses	125
Agents balances	55
Investment in govt securities	1200
Shares and debentures of joint stock cos	750
Claims o/s	175
Investment reserve	100
Deposit with electricity board	50

Prepare balance sheet of the company as on 31 March 2019 supported by schedules. Market value of investments as on 31 March 2019 was Rs 18,00,000.

22. Ram Naresh Ram is engaged in commercial farming activity. Following Trial Balance of his farm is drawn as on 31stMarch, 2012:

Particulars	Debit ₹	Credit ₹
Land & Building	1200000	
Capital		1050000
Stock 1stApril,2011		
Crops	20000	
Fertilizers	5000	
Cattle	15000	
Sheep	10000	
Sales:		
Cattle		75000
Sheep		50000
Milk		25000
Vegetables		75000
Paddy		50000
Bank Loan from Rural Development Bank(RDB)		250000
Cash	20000	
Bank	80000	
Sundry Debtors	75000	
Bank Interest	20000	
Bank Interest	125000	
Salaries:		
Manager	15000	
Staff	35000	
Expenses:		
Crops	15000	
Livestock	10000	
Machinery Repairs	5000	
Sundry Creditor		35000
Co-operative Loan		65000
	1675000	1675000

Other relevant particulars:

Closing stock (31stMarch, 2012)

Particulars	Cattle	Sheep	Cattle Feed	Seeds	Crops	Fertilizer
Closing stock	25000	15000	10000	10000	8000	22000

- Depreciation is to be provided at 10% on farm machinery.
- Farm produce consumed by the livestock ₹7500.
- Salaries are to be apportioned as:
 - 60% crops
 - 40%livestock

d. Interest accrued on co-operative loan ₹4000.

e. Personal consumption:

i. Milk	₹3000
ii. Vegetables	₹2000
iii. Paddy	₹8000

f. No depreciation is to be charged on land & building.

g. From the above information, prepare final accounts of ramnaresh Ram for the year ended 31stMarch, 2012.

23. Explain the types of insurance claims and the procedure to ascertain amount of claim.

24. Tandon carried out the following transactions in the shares of Bright Ltd.

a) On 1 April 2017 he purchased 20,000 equity shares of Rs. 1 each fully paid for Rs. 30,000 on cum-right basis.

b) On 15 May 2017 Tandon sold 4000 shares for Rs.7600.

c) At a meeting on 15 June 2017 the company decided:

I. To make a bonus issue of one fully paid share for every four shares held on 1 June 2017 and

II. To give its members the right to apply for one share for every five shares held on 1 June 2017 at a price of Rs. 1.50 per share of which 75 paise is payable on or before 15 July 2017 and the balance 75 paise per share on or before 15 Sept 2017.

The shares issued under I and II were not to rank for dividend for the year ending 31 March 2017.

d) Tandon received his bonus shares and took up 2000 shares under the rights issue, paying the sums thereon when due and selling the rights to the remaining shares at 40 paise per share; the proceeds were received on 30 September 2017.

e) On 15 March 2018 he received Rs. 14000 for the sale of 10000 shares.

f) On the 30 March, he received Rs. 14000 for the sale of 10,000 shares.

You are required to record these transactions in Investment Account in Tandon's books for the year ended 31 March 2018, transferring any profits or losses on these transactions. Apply Average basis. Expenses and taxes to be ignored.

25. Some of the items in the Trial Balance of CANHC Bank Limited as on March 31, 2018 were as follows:

	Rs.		Rs.
Loans and Advances	71,50,000	Printing and Stationery	5000
Current Accounts (including Overdrafts of Rs. 1500000)	66,00,000	Interest on savings bank deposit	75,000
Bills Discounted and Purchased	19,20,000	Auditors fee	5000
Interest on fixed Deposits	1,55,000	Interest on overdrafts	95,000
Interest on loans	2,25,000	Provision for doubtful debts 1 April 2017	42,000
Discount (subject to unexpired discount Rs. 30,000)	2,01,000	Bad debts	21,000

Interest on cash credits	1,05,000	Provision for income tax 1 April 2017	66,000
Commission earned	47,000	Income tax paid for 2017-18	54,000
Loss on investment	34,000		
Salaries and Allowances	82,000		

Prepare the profit and loss account of the bank maintaining the provision for Income tax at Rs. 84000 and Provision for doubtful debts at Rs. 52000 for the year ended March 31, 2018.

(10 x 3 = 30)