

B. COM. DEGREE END SEMESTER EXAMINATION - OCTOBER 2019**SEMESTER – 5: COMMERCE (CORE COURSE)****COURSE: U5RCOM14, SPECIAL ACCOUNTING***(For Supplementary 2014 Admissions)*

Time: Three Hours

Max. Marks: 75

PART- A*Answer all questions. Each question carries 1 mark*

1. Define Banking Company
2. What is meant by SLR?
3. Distinguish between cash bonus and reversionary bonus?
4. What is annuity ?
5. What is Reversionary Bonus?
6. Define Investment
7. What is Under Insurance?
8. Give two examples of Schedule 12 forming part of Balance sheet of a banking company?
9. What is NPA?
10. What is Valuation Balance sheet? (1 x 10 = 10)

PART- B*Answer any eight questions. Each question carries 2 marks.*

11. What is slip system of Posting?
12. What is average clause? Why is it inserted in the insurance policy?
13. Give the format of P & L A/c of Banking Company?
14. Give the format of Valuation Balance sheet.
15. Explain unexpired discounts?
16. What is Garner Vs Murray ruling?
17. What is meant by right shares? How do you record them in Investment Accounts?
18. On 1st March 2018, 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 2018.
19. Give the Journal entries for an ex-interest/ Dividend Sale.
20. Distinguish fixed income bearing securities from variable income bearing securities. (2 x 8 = 16)

PART- C*Answer any five questions. Each question carries 5 marks*

21. Explain the Modes of Dissolution of partnership firm. Also state rules for the settlement of Accounts on Dissolution
22. A life insurance company gets its valuation made once in every two years. Its Life Assurance Fund on 31st March, 2018, amounted to Rs. 41,40,000 before providing Rs.30,000 for the shareholders dividend for the year 2017-18. Its actuarial valuation due on 31st March 2018 disclosed a net liability of Rs. 40,40,000 under assurance annuity contracts An interim bonus of Rs.60, 000 was paid to the policy holders during the year ending 31st March 2018.
Prepare a statement showing the amount now available as bonus to policyholders.

23. Explain the differences between Realisation Account and Revaluation Account?
24. On April 1, 2018, 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, 2018, Mr. Sam purchased 5000 Equity shares in X Ltd. more @ Rs.14 each .
On June 30, 2018, 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, 2018. Show Investment Account up to August 2, 2018.
25. On 30th September 2018, a fire occurred at the ware house G. Ltd and a greater portion of the stock was destroyed. The value of stock salvaged was at Rs.550. The books were saved and the following is an extract from his last accounts for the year ended 31st March, 2018.

Trading A/c

	Rs.		Rs.
To Opening stock	34,000	By sales	98,000
To Purchases	78,710	By Closing stock	29,410
To Gross Profit	14,700		
	1,27,410		1,27,410

The stock was fully insured against fire risk. Trade Crs. on 31-3-2018 amounted to Rs.12,304. Sales for the period to 30th September 2018 were Rs.54,600 and payments made for purchases amounted to Rs.44,008. On 30th September 2018 Crs. were Rs.11,056
Prepare a statement showing the amount which G. Ltd should claim from the insurance company for loss of stock

26. From the following details, compute the amount of provisions required to be made in the P & L A/c of a commercial bank for the year 2017-18

Assets :	(Rs.in '000')
Standard	80,000
Sub standard	60,000
Doubtful:	
For one year (secured)	24,000
For 2-3 years (secured)	18,000
For more than 3 year	
(secured by mortgage	9,000
of plant worth Rs.50 lakh)	
loss Assets	15,000

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 **12 marks**.*

28. Write short notes on the following:

- a. Reinsurances; b. Premium Deposits; c. Annuities; d. Actuarial valuation;
- e. Endowment policy; f. Revisionary bonus; and g. Surrender value

29. 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

30. Mr. X Furnishes the following details relating to his holding in 6% Govt. Bonds of Rs.100 each :

Opening Balance face value Rs.60,000; cost Rs.59,000

1-3-2018 - 100 units purchased ex-interest at Rs.98

1-7-2018 - Sold 200 ex-interest out of the original holdings at Rs.100

1-10-2018 - Purchased 50 units at Rs.98 cum- interest

1-11-2018 - Sold 200 units ex-interest at Rs.99 out of the original holdings.

Interest dates are 30th September and 31st March. Mr. X closes his books every 31st December.

Show the Investment A/c as it would appear in his book.

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

- a) Fire occurred on July 1, 2018 and affected sales for 3 months
- b) Sales for 3 months ending 30th September in 2017 and 2018 were Rs.1,50,000 and Rs.50,000 respectively.
- c) The policy was for Rs. 4,50,000 with a six months period of indemnity.
- d) Sales for 12 months ended June 30, 2017 were Rs.19,00,000
- e) A/cs are prepared on 31st December. The net profit for 2017 amounted to Rs.2,50,000 after debiting standing charging Rs.1,10,000. Sales for 2017 were Rs.18,00,000.
- f) A sum of Rs.3500 was spent as additional expenses to mitigate the effect of the loss

(12 x 2 = 24)