

B.COM. DEGREE END SEMESTER EXAMINATION OCTOBER/NOVEMBER 2018**SEMESTER –5: COMMERCE (CORE COURSE)****COURSE: U5RCOM14: SPECIAL ACCOUNTING***(For Supplementary - 2014 admission)*

Time: Three Hours

Max. Marks: 75

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

1. What is annuity?
2. What is statutory Reserve under Banking Regulation Act 1949?
3. Define partnership.
4. What is Reversionary Bonus?
5. What is Under Insurance?
6. What is Realisation Account?
7. What is reinsurance?
8. What is Non banking assets?
9. What is Investment ledger?
10. Define Investment

(1 x 10 = 10)**PART- B***Answer **any eight** questions. Each question carries 2 marks.*

11. Give the format of P & L A/c of Banking Company?
12. State the difference between Bonus in cash and Bonus in reduction of premium.
13. What is the difference between Dissolution by agreement and compulsory dissolution?
14. What is Garner Vs Murray ruling?
15. Explain the terms :
Short Sales
Insured standing charges
16. Distinguish between Life insurance and General insurance?
17. State the differences between Cum-Interest and Ex-Interest transaction.
18. What is average clause? Why is it inserted in Insurance Policy?
19. On 1st March 2018, X Ltd purchased 3000 12% debenturs 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.
20. Calculate the net claim to be shown in Revenue account of an Insurance Company

	Rs.
Claims paid during the year ended 31-3-2018	5,60,000
Claims outstanding on 1-04-2017	52,000
Claims outstanding on 31.03-2018	92,000
Claims covered under reinsurance	25,000

(2 x 8 = 16)

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

21. Explain the differences between Realisation Account and Revaluation Account?
 22. Explain the different Assets shown in the Balance Sheet of Banking Company?
 23. The Popular Bank Ltd. has the following bills in its advance Portfolio on 31st March 2018.

Sl. No.	Date of Bill	Rs.	Term (months)	Date of Maturity
1	Feb .11	5,000	4	June 14, 2019
2.	Feb. 16	6,000	3	May 19, 2019
3.	March. 7	4,000	4	July 10, 2019

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

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

Balance Sheet

Liabilities	Rs.	Assets	Rs.
Capital :		Cash	4,000
A	6000	Realization 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

25. On 30th September 2017, a fire occurred at the warehouse 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, 2017.

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 31-3-2017 amounted to Rs.12,304. Sales for the period to 30th September 2017 were Rs.54,600 and payments made for purchases amounted to Rs.44,008. On 30th September 2017 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. Explain classification of Bank advances.

27. Show the details of schedule 12 of a Banking Company.

(5 x 5 = 25)

PART- D

Answer any two questions. Each question carries 12 marks.

28. 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.

29. The Life Insurance Fund of an Insurance Company on 31-3-2018 was Rs.60 lakhs before providings for dividend of Rs.20,000 for the year 2017-2018. 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 31-3-2018

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

	Rs.		Rs.
Sundry charges (Dr.)	100	Auditor's Fees	35
Rent & Taxes	200	Director's Fees	16
Payment to employees	500	Bad debts to be written off	300

30. Explain the following terms :

1) Slip system of posting

2) Cum-interest Vs. Ex-interest transaction

3) Firm's debt and Private debts.

4) Consequential loss policy

31. Write short notes on the following:

a. Average Clause b. Premium Deposits; c. Annuities; d. Actuarial valuation;

e. Endowment policy; f. Cum-interest g. Surrender value (12 x 2 = 24)