

**B. COM. DEGREE(C.B.C.S.S.) EXAMINATION, OCTOBER 2016  
SEMESTER V - COMMERCE  
COM5SA - CORE COURSE (SPECIAL ACCOUNTING)**

Time: Three Hours

Maximum Marks: 80

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

1. What is Sub standard Assets?
2. What is Contingent Liabilities?
3. What is Ex Interest Quotations?
4. What is an Investment Accounts?
5. What is Average Clause?
6. What is an Insurance Claim?
7. What is Reinsurance?
8. What is Claims?
9. What is Dissolution?
10. What is Realisation Account?

(10 x 1 =10)

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

11. What is slip system of posting?
12. Draw the format of Schedule 13?
13. What is Bonus in Reduction of Premium?
14. What is Premium?
15. What are the Financial Statements of Insurance Companies?
16. What is Fixed Income Bearing Securities?
17. What are the difference between ex interest and cum interest?
18. What is Investment Ledger?
19. What is Insured Standing charges ?
20. What are poor selling goods?
21. What is Loss of Profit Policy?
22. What is Dissolution by court?

(8x2=16)

**PART C****III. Answer any six questions. Each question carries 4 marks.**

23. On 31<sup>st</sup> march 2010, the books of Himlaya Bank had the following account balances:

Rebate on Bill discounted(1-4-2009)	Rs.2,30,000
Discount Received	Rs.48,00,000

On Closing the books, it is found that the discount received includes unexpired discount to be carried to the next year Rs.2,90,000

Show the amount to be carried to profit and loss Account under discount earned

for the year 2009-10. Also give journal entries require to adjust the above mentioned amounts.

24. From the following calculate the amount of premium to be credited to Revenue Account

Premium received during the 2010-11	42,00,000
Outstanding Premium on 31.3.11	3,20,000
Premium received in advance on 31.3.2011	1,80,000
Outstanding premium on 1.4.2010	2,40,000
Premium Received in advance on 1.4.10	1,10,000
Bonus in reduction of Premium to be adjusted	60,000
Re insurance Premium for the year	3,00,000

25. What are the Registers and Books of Life Insurance Companies?

26. What are the Purpose of Maintaing Investment Accounts?

27. On 1<sup>st</sup> April 2003 JayanLtd had Rs.3,00,000 6% Government stock at Rs.94(face value Rs.100).Interest is payable half yearly on 31<sup>st</sup> march and 30<sup>th</sup> September .The Company sold RS.90000 of the stock at Rs.95 cum interest on 1<sup>st</sup> June 2003. Draw up Investment Account for the year ended 31<sup>st</sup> March 2004.The stock was quoted at Rs.96 ex interest at stock exchange on that date?

28. A fire broke out in the warehouse of mercantile traders Ltd on 30<sup>th</sup>September 2011.The Company desires to file a claim with the insurance company for loss of stock and gives you the following information to enable you to prepare a statement showing the amount to be claimed.

The last accounts of the company were prepared on 31<sup>st</sup> December 2010

Sundry Debtors on 31-12-2010	320000
Sundry Debtors on 30-9-2011	240000
Cash received from Debtors	1152000
Stock on 31-12-2010	120000
Purchases from 1-11-2011 to 30-9-2011	1000000
Rate of Gross profit to cost of sales	25%

29. A fire occurred on 24<sup>th</sup> December 2010 in the godown of Mr.Ajay.From the following figures ascertain the claim to be lodged.

Stock on 1 <sup>st</sup> April 2010	30000
Purchases upto 24 <sup>th</sup> December 2010	94000
Wages and manufacturing expenses for the period	16000
Sales till 24 <sup>th</sup> December 2010	160000
Stock Salvaged	6000

The rate of profit is 25% on sales

30. Nut, Bolt and Loose share profit and losses in proportion of 1/2, 1/4 and 1/4 . on the date of dissolution their balance sheet stood as follows.

Liabilities	Rs.	Assets	Rs.
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creditors	20,000	cash in hand	26,000
Loose loan	10,000	sundry assets	36,000
Reserves	4000		
Capitals:			
Nut	8000		
Bolt	9000		
Loose	5000	22,000	
		56,000	56,000

The assets realised as follows:

1<sup>st</sup> instalment Rs.8,500; realisation expenses Rs.500

2<sup>nd</sup> instalment Rs. 6,400; realisation expenses Rs.400

3<sup>rd</sup> instalment Rs.8,900; realisation expenses Rs.900

Show how the proceeds are distributed.

31. What is realisation account? How does it differ from revaluation account?

(6x4=24)

#### PART D

**IV. Answer any two questions. Each question carries 15 marks.**

32. Samaj bank ltd with and authorised and subscribed capital of Rs.10,00,000 in Rs.10 shares presents you the following balance sheet as on 31<sup>st</sup> March 2009 from which you are asked to prepare its balance sheet in the prescribed form:(all figures in Rs.)

Subscribed and called up share capital	10,00,000
Profit balance on 1 <sup>st</sup> April 2008	1,10,000
Cash credit and overdraft	40,00,000
Term loans	50,00,000
Bills purchased and discounted	10,00,000
Current deposits	30,00,000
Savings bank deposit	32,00,000
Fixed deposit	48,00,000
Cash in hand	3,00,000
Calls in arrear	10,000
Cash with RBI	5,00,000
Money at call and short notice	8,00,000
Investment in Government securities	12,00,000
Land and buildings	10,30,000
Furniture	50,000
Interest accrued on loans	1,50,000
Stamps and stationery	3000
Rebate on bills discounted	12,000
General reserve	60,000
Statutory reserve	7,00,000
Profit of current year before appropriation- under sec.17	6,00,000
Borrowings from banks	4,53,000
Unclaimed dividend	8000
Balance with banks	5,00,000

Bills payable 6,00,000

Claims against the bank not acknowledged as debt amount to Rs.80,000. The bank's acceptance on behalf of customers amounts to Rs.3,00,000. Bills for collection amounts to Rs.1,30,000.

33. Prepare (with imaginary figures) the balance sheet of a Life insurance company.
34. A fire occurred on 1<sup>st</sup> February 2005 in the premises of Pioneer Ltd., a retail store, and business was partially disorganised upto 20<sup>th</sup> June 2005. The company was insured under a "loss of profit" for Rs. 1,25,000 with a 6 months period indemnity. From the following information compute the amount of claim under the loss of profit policy.

Rs.

Actual turnover from 1 <sup>st</sup> February to 30 <sup>th</sup> June 2005	80,000
Turnover from 1 <sup>st</sup> February 2004 to 31 <sup>st</sup> January 2005	4,50,000
Insured standing charges for last financial year	56,000
Turnover for the last financial year	4,20,000
Turnover from 1 <sup>st</sup> February to 30 <sup>th</sup> June 2004	2,00,000
Net profit for last financial year	70,000
Total standing charges for last financial year	64,000

The company incurred additional expenses amounting to Rs.6,700 which reduced the loss in turnover. There was also a saving during the indemnity period for Rs.2450 in the insured standing charges as a result of the fire.

There had been a considerable increase in trade since the date of the last annual accounts and it has been agreed that an adjustment of 15% be made in respect of the upward trend in turnover.

35. X, Y and Z sharing profits in 1/2 , 1/3 and 1/6<sup>th</sup> respectively decided to dissolve the firm from 1.1.2012 when their balance sheet was as follows:

Liabilities	Amt	Assets	Amt
Creditors	40,000	Land and buildings	57,000
Bills payable	7000	Stock	50,000
X's loan	10,000	Sundry debtors	50,000
X's capital	90,000	Bank	3000
Y's capital	10,000	Y's current a/c	2000
Z's capital	10,000	Z's current a/c	5000
X's current a/c	1500	P/L a/c	1500
	1,68,500		1,68,500

Land and building were sold for Rs.40,000 and stock and debtors realised Rs.30,000 and Rs.42,000 respectively. Goodwill was sold for Rs.600. The expenses on realisation came to Rs.1200. Z is insolvent and a dividend of 50 paise in the rupee is received from his estate Pass journal entries to close the books of the firm applying the ruling in Garner vs. Murray.

(2x15=30)