

E 2952

(Pages : 4)

Reg. No.....

Name.....

B.Com. DEGREE (C.B.C.S.S.) EXAMINATION, APRIL 2022

Fifth Semester

Core Course 14—SPECIAL ACCOUNTING

(Common for Model I, Model II and UGC Sponsored B.Com. Degree Programmes)

[2013 to 2016 Admissions]

Time : Three Hours

Maximum Marks : 80

Part A

Answer all questions.

Each question carries 1 mark.

1. What is primary deposits ?
2. Define term loans.
3. What are money market instruments ?
4. What is re-insurance ?
5. What is surrender of policy ?
6. Define equity shares.
7. Write a short note on ex-interest.
8. What is average clause ?
9. Distinguish between Dissolution of firm and Dissolution of partnership.
10. What do you mean by "Piecemeal distribution" ?

(10 × 1 = 10)

Part B

Answer any eight questions.

Each question carries 2 marks.

11. What are contingent liabilities in banks ?
12. Clearly show the details of advances as per schedule.
13. Distinguish between Life Insurance and General Insurance.
14. What is bonus in Insurance business ?
15. Distinguish between Whole life policy and Term policy.
16. Clearly show how the partners accounts are settled, when the firm and its partners are solvent.
17. Define bonus shares. How does bonus shares differs from right shares ?

Turn over

18. Explain the steps for calculating cost and accrued interest when securities are purchased cum-interest.
19. Explain the steps for determination of claim for loss of stock.
20. Write a short note on (a) Insured standing charges and (b) Standard Turnover.
21. From the following information, find out the amount of provisions to be shown in the P & L A/c of O.K. Bank :

<i>Assets</i>	<i>Rs.</i>
Standard	... 3,00,000
Sub-standard	... 1,60,000
Doubtful : For one year	... 80,000
For three years	... 60,000
For more than three years...	20,000
Loss Assets	... 90,000

22. Distinguish between Government Securities and Non-Government Securities.

(8 × 2 = 16)

Part C

Answer any six questions.

Each question carries 4 marks.

23. Explain how will accounts of a firm under dissolution be settled when one of the partners is insolvent.
24. Explain the circumstances under which a firm is dissolved.
25. What do you understand by :
 - (a) Rebate on bills discounted and
 - (b) Customer's for Acceptance and Endorsement.
26. What is a Life Insurance Fund ? How does it arise ? What is its importance.
27. What is investment ledger ? Explain the purposes of maintaining it.
28. A fire occurred in the stores of Mr. Anoop on June 15 2008 and a considerable part of the stock was destroyed. The value of stock saved was Rs. 6,000.
 The books disclosed on 1st April 2008 the stock was valued at Rs. 45,000, the purchases upto the date of fire amounted to Rs. 1,25,000 and the sale to Rs. 1,80,000 on investigation, it was found that during the past five years, the average gross profit on sales was 30 %.
 Calculate the claim from the Insurance Co. in respect of stock destroyed by the fire.
29. The books of Yes Bank Ltd. include a loan of Rs. 10,00,000 on 31-12-2016 interest payable at 14 % p.a. Compound half yearly. There was no repayment of both interest and loan during the last quarter of the year 2016-17. The security offered for the loan was 1,00,000 equity shares of Rs. 10 each whose market value on 31-3-2017 was Rs. 09 per share. Classify the loan as secured and unsecured.

30. Mega Life Insurance Company prepared its revenue a/c for the year ended 31st March 2018 and ascertained its surplus as Rs. 97,46,000. It was later found that the following has been omitted from the books of accounts :
- Premium outstanding Rs. 72,000.
 - Bonus intimated and admitted but not paid Rs. 24,000.
 - Bonus utilised in reduction of premium Rs. 18,000.
 - Claims intimated but not admitted Rs. 76,000.
 - Claim covered under re-insurance Rs. 12,000.
 - Interest accrued on investments Rs. 27,000.

Ascertain the true surplus.

31. The partners of the firm X, Y and Z decided to dissolve it. The assets were realised and liabilities met and after this, the bank balance was Rs. 15,000. On the same date the capital of X is Rs. 16,260 and of Y Rs. 11,412. Z's capital account is overdrawn to the extent of Rs. 3,600. The account show a deficiency of Rs. 9,072. Z is insolvent, you are required to show the final adjustments between X and Y.

(6 × 4 = 24)

Part D

Answer any two questions.

Each question carries 15 marks.

32. Make out a Balance Sheet of a joint stock banking company with imaginary figures.
33. The following relate to East West Fire Insurance Co. for the year ending 31st March, 2017 :

	Rs.
Premium less re-insurance	... 68,45,000
Claims less re-insurance	... 38,40,000
Reserve for unexpired risk on 1-4-2016	... 24,60,000
Additional reserve on 1-4-2016	... 3,70,000
Commission on direct business	... 5,60,000
Commission on re-insurance accepted	... 85,000
Commission on re-insurance ceded	... 1,20,000
Claims outstanding on 31-3-2017	... 3,60,000
Claims outstanding on 1-4-2016	... 2,40,000
Salaries	... 4,00,000
Directors remuneration	... 40,000
Rent and Taxes	... 60,000
Depreciation	... 70,000

Reserve for unexpired risk is to be maintained at 50 % of net premium income. Additional reserve is to be increased by Rs. 80,000.

Prepare Revenue account for the year 2016-17.

Turn over

34. Mr. Active furnishes the following details relating to his holding in 6 % Government bonds :

- 1-1-2011 Opening balance face values Rs. 60,000—cost Rs. 59,000.
- 1-3-2011 100 units purchased ex-interest at Rs. 98
- 1-7-2011 Sold 200 units ex-interest of the original holding at Rs. 100
- 1-10-2011 Purchased 50 units at Rs. 98 cum-interest
- 1-11-2011 Sold 200 units ex-interest at Rs. 99 out of the original holdings.

Interest dates are March 31 and Sept. 30. Mr. Active closes his books every Dec. 31. Show the investment accounts.

35. Write a short notes on :

- (a) Indemnity period.
- (b) Short sales.
- (c) Non-banking assets.
- (d) Valuation balance sheet.

(2 × 15 = 30)