DEBC504

Reg. No.

**V Semester B.Com. Degree Examination, January/February- 2025**

**COMMERCE**

**Advanced Accounting (Accounting Elective)**

**(CBCS Scheme NEP F+R Regular 2023-24 Onwards)**

**Paper : (A) 5.4**

**Time : 2½ Hours** **Maximum Marks : 60**

***Instructions to Candidates:***

Answer should be written completely in English only.

**SECTION - A**

Answer any **Five** of the following sub-questions. Each sub-question carries **2** marks.

**(5×2=10)**

1. a) What is money at call and short notice?
   b) How do you treat the following items in Bank final a/cs?
      i) Unpaid dividend.
      ii) Interest accrued on Investment.
   c) What is Reinsurance?
   d) What is meant by Insurance claim ceded?
   e) What is reserve for unexpired risk?
   f) State any two reasons for buyback of shares.
   g) What is Ex interest and cum interest of securities?

**SECTION - B**

Answer any **Four** of the following questions. Each question carries **5** marks. **(4×5=20)**

2. The following information have been extracted from the books of Sumukha Ltd. as on 31-3-2024
   a) **Issued and subscribed capitals:**
      10,00,000 equity shares of Rs. 10 each, fully paidup Rs. 100,00,000.
   b) **Reserves and Surplus:**
      General Reserve Rs. 16,00,000, Surplus Rs. 4,00,000, Capital reserve Rs. 6,00,000, Securities premium Rs. 3,00,000, 12% Debentures Rs. 10,00,000.
   c) Cash and Bank balance Rs. 20,00,000.
   d) The company decided to buyback 20% of its paidup equity share capital at face value. It was also decided to issue further 12% Debentures of Rs. 10,00,000 at par for the purpose of buyback pass necessary journal entries.
3. Mr. X purchased 18% Government stock of Rs. 40,400 from Y Ltd. on 1-3-2024 date of Interest-30/6 and 31/12 at Rs. 101 (Ex Interest) Mr. X incurred.
   Stamp duty 3% Brokerage 2%
   Taxes 1% Legal charges Rs. 30
   Calculate cost of purchase, and pass necessary Journal Entry.

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4. Following bills are discounted by MS.Bank Ltd, during the financial year 2023-24. You are required to findout rebate on bills discounted for the year ending 31-3-2024.

| Amt of Bills | Due Date | Rate of Interest |
|---|---|---|
| 60,000 | 31-07-2024 | 14% p.a |
| 65,000 | 30-06-2024 | 12% p.a |
| 1,00,000 | 31-05-2024 | 15% p.a |
| 85,000 | 31-08-2024 | 16% p.a |

5. The following particulars related to a life Insurance corporation for the year 31-3-2024

| Particulars | Amount |
|---|---|
| Premium received during the year | 11,33,000 |
| Bonus in reducution of premium for 2023-24 | 7,000 |
| Outstanding premium on 1-4-2023 | 87,000 |
| Outstanding premium on 31-3-2023 | 1,09,000 |
| Premium received in advance on 1-4-2023 | 28,000 |
| Premium received in advance on 31-3-2024 | 22,000 |
| Reinsurance premium paid for 2023-2024 | 60,000 |

Findout the amount of premium to be included in revenue a/c.

6. A marine Insurance company reported the following details for the year of its working make necessary provisions for unexpired risk at 100% on net premium and ascertain profit or loss made by the company.

| Particulars | Amount |
|---|---|
| Premium received on original policies | 80,00,000 |
| Reinsurance premium paid | 11,00,000 |
| Reinsurance premium received | 3,50,000 |
| claims | 11,00,000 |
| Commission on Direct Business | 4,65,000 |
| Expenses of management | 21,00,000 |

## SECTION - C

Answer any **Two** of the following questions. Each question carries 12 marks. **(2×12=24)**

7. Mr. Prajwal an Investor furnishes the following details relating to his holding in 6%. Govt bonds.
   1. Opening balance-facevalue Rs. 60,000, cost Rs. 59,000.
   2. On 1-3-2024 purchased 100 units Ex Interest @ Rs. 98.
   3. On 1-7-2024 sold 200 units Ex Interest @ Rs. 99.
   4. On 1-11-2024 purchased 50 units @ Rs. 98 cum Interest
   5. On 1-12-2024 sold 200 units @ Rs. 97.
   6. Interest dates are 30-Sept and 31-March. He closes his books every 31-Dec. Calculate the value of clossing stock as on 31-12-2024 under FIFO method and average cost method. The debentures were quoted at Rs. 97 on 31-12-2024.

8. Meenakshi Bank Ltd. requires you to prepare profit and loss a/c balance sheet as on 31-3-2024, from the following details.

| Particulars | Dr | Cr |
|---|---|---|
| Share capital 1,00,000 Equity shares of Rs. 10 each | - | 10,00,000 |
| Reserve fund | - | 5,00,000 |
| Loans, cash credits and overdrafts | 5,70,000 | - |
| Premises | 1,00,000 | - |
| Investments in Govt. Securities | 8,00,000 | - |
| Current Deposits | - | 2,00,000 |
| Fixed Deposits | - | 2,50,000 |
| Savings Bank Deposits | - | 1,00,000 |
| Salary to Staff | 56,000 | - |
| Directors Fees | 3,600 | - |
| Rent and Rates and Taxes | 4,600 | - |
| General Expenses | 54,800 | - |
| Profit and loss a/c (1-4-2023) | - | 32,000 |
| Interest and discount | - | 2,56,000 |
| Stationery | 17,000 | - |
| Bills purchased and discounted | 92,000 | - |
| Interim Dividend paid | 34,000 | - |
| Recurring Deposits | - | 40,000 |
| Shares | 1,00,000 | - |
| Cash in hand and with RBI | 3,86,000 | - |
| Money at call and short notice | 1,60,000 | - |
| **Total** | **23,78,000** | **23,78,000** |

**Additional Information :**

* Endorsement made on behalf of customers totaled Rs. 1,15,000.
* Unexpired discount amounted to Rs. 380.
* Interest accured on Investments Rs. 8,000.

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9. The following initial balance was extracted from the Books of RS Life Assurance Company Ltd as on 31-3-2024.

| Particulars | Rs. Debit | Rs. Credit |
|---|---|---|
| Share capital | - | 3,20,000 |
| Life Assurance fund 1-4-2023 | - | 59,44,600 |
| Dividend paid | 30,000 | - |
| Interest and Dividend received | - | 2,25,400 |
| Premium received | - | 2,03,000 |
| Surrenders | 14,000 | - |
| Claims paid | 3,94,000 | - |
| Commission paid | 18,600 | - |
| Management Expenses | 64,600 | - |
| Mortage in India | 9,84,400 | - |
| Agent Balances | 18,600 | - |
| Freehold Premises | 80,000 | - |
| Investments | 46,10,000 | - |
| Loan on company's policies | 3,47,200 | - |
| Cash Deposits | 54,000 | - |
| Cash in hand | 14,600 | - |
| Bonus to policy holders | 63,000 | - |
| **Total Rs.** | **66,93,000** | **66,93,000** |

You are required to prepare company's revenue a/c for the year ended 31-3-2024 and its balance sheet as on that date.

* Claims admitted but not paid Rs. 18,600.
* Premium outstanding Rs. 24,000.
* Interest accrued Rs. 1,88,600.
* Management expenses due Rs. 400.

## SECTION - D

Answer any **One** of the following questions which carries **6** marks. **(1×6=6)**

10. List any six companies which have exercised buyback along with the terms of buyback.

11. Prepare statement of claims with imaginary figures of General Insurance company.