

SUPPLEMENTARY EXAMINATIONS, JUNE 2019
SPECIAL ACCOUNTS
SUBJECT CODE: 16UACO20

MAJOR : B.COM
TIME : 3 HOURS

SEMESTER : VI
MAX.MARKS : 75

SECTION - A (10 X 1 = 10)

Answer ALL Questions:

1. What is meant by Double Account system?
2. State the two parts of balance sheet prepared under the Double Account system.
3. What are "Non-Banking Assets"?
4. Write a note on "Statutory Reserve".
5. Write a note on 'Reinsurance'.
6. What do you mean by Life Assurance Fund?
7. What is a holding company?
8. Write a note on 'Capital Profits'.
9. What is meant by 'Government Accounting'?
10. What is inflation accounting?

SECTION - B (5 X 4 = 20)

Answer any FIVE Questions:

11. Bring out any four special features of Double Account system.
12. The original cost of a power house was Rs. 5,00,000 which is to be replaced by a new one. The cost of a new one is Rs. 15,00,000. But the estimated cost of original one (same size) is Rs.8,00,000. Ascertain the amount to be charged to Revenue and Capital.
13. Calculate rebate on bills discounted as on 31.3.2012

Date of bill	Amount (Rs.)	Period (in Months)	Rate of Discount
15-1-2012	25,000	5	8%
10-2-2012	15,000	4	7%
25-2-2012	20,000	4	7%
20-3-2012	30,000	3	9%

14. You are required to calculate the claims incurred(Net) by a fire insurance company to be shown in Revenue Account for the year ending 31st March 2018 with the help of the following data:

	Rs.
Claims paid	6,58,815
Claims Outstanding(1-4-2017)	1,04,000
Claims Outstanding(31-03-2018)	60,000
Medical Expenses relating to claims	6,000
Claims covered under re-insurance	10,000

15. Write short notes on the following:
 - (a) Bonus in reduction of premium
 - (b) Reversionary Bonus
 - (c) Claims
 - (d) Double Insurance

16. A subsidiary company has a capital of Rs.5,00,000 in shares of Rs.100 each out of which holding company acquired 80% of the shares at Rs.6,00,000. The profits of the subsidiary company on the date of acquisition of shares by the holding company were Rs.3,00,000. Calculate the value of Goodwill or Capital Reserve.

17. H Ltd. Acquired 1,000 shares in S Ltd. on 31st December 2017. On 31st December 2017, the Balance Sheet of S Ltd. was as follows:

Liabilities	Rs.	Assets
Share capital 2,000 equity shares of Rs. 100 each fully paid	2,00,000	Sundry Assets
General Reserve as at 1-1-2017	40,000	
Profit & Loss A/c as at 1-1-2017	10,000	
Profit for 2017	40,000	
Sundry Creditors	20,000	
	3,10,000	

Account in Capital Profit and Reserve profits.

18. Write on the following: **Government Accounting.**

SECTION C (3x15= 45 Marks)

Answer any THREE of the following questions:

19. The Company 'M' replaced part of its existing water mains with new mains at a cost of Rs. 75,000. The original cost of laying the old mains was Rs. 25,000. The present cost of laying those mains would be three times the original cost. The proceeds realised by the sale of old materials and old materials of Rs. 2,75,000 were credited to replacement and included in the cost given above. Show the allocation of expenses between revenue and capital, give the journal entry for the above and prepare the replacement account.

20. Give the Form of Balance Sheet of Banking Company as per Section 45 of Banking Companies Act and give various schedules.

21. The following balances are abstracted from the Books of New Building Insurance Co. Limited as on 31st March 2018:

	Rs.		Rs.
Life Assurance Fund (1.4.2017)	15,00,000	Premiums	1,00,000
Consideration for Annuities granted	15,000	Annuities	10,000
Claims paid during the year	64,900	Interest & Dividends	5,000
Fines for revival of policies	750	Reinsurance premium	20,750
Bonus in reduction of premiums	1,600	Medical Fees	2,400
Claims Outstanding (1.4.2017)	4,500	Surrenders	4,000
Management expenses	22,000	Commission	18,600
Income Tax on Dividends	8,500		

Prepare Revenue Account after making the following adjustments.

- Outstanding Claims Rs. 14,000
- Outstanding Premiums Rs. 4,600
- Further bonus for premium Rs. 2,400
- Claim under re-insurance Rs. 8,000

22. The Balance Sheets of H Ltd. and S Ltd. as at 31st December, 2017 are as follows:

Liabilities	H Ltd.	S Ltd.	Assets	H Ltd.	S Ltd.
Share capital (Rs 10)	1,00,000	50,000	Sundry Assets	60,250	69,100
General Reserve	9,000	10,000	Goodwill	---	10,000
P&L A/c	12,250	11,500	Shares in S Ltd.	70,000	---
Creditors	15,000	7,600			
	1,36,250	79,100		1,36,250	79,100

- (a) In case of 'S' Ltd., profit for the year ended 31st December 2017 is Rs 6,000 and transfer to reserve is Rs.2,500.

- (b) The holding of H Ltd. in S Ltd. is 90% acquired on 30th June 2017.

Prepare a consolidated Balance Sheet of 'H' Ltd. and its subsidiary.

23. Write the merits and demerits of Human Resource Accounting.
