

END OF SEMESTER EXAMINATIONS, APRIL / MAY-2018
SPECIAL ACCOUNTS
SUBJECT CODE: 12UACO20

MAJOR: B.Com
TIME : 3 HOURS

27

SEMESTER : VI
MAX. MARKS: 75

SECTION - A (10 X 1 = 10)

Answer All the Questions:

1. What are the public utility undertakings?
2. What is meant by 'Disposal of Surplus'?
3. What is Rebate on Bills discounted?
4. Write a note on 'Non - Banking Assets'.
5. Explain the meaning of 'Surrender value'.
6. What is 'Re - insurance'?
7. Give the meaning of 'Subsidiary Company'.
8. Write a short note on 'Minority Interest'.
9. What is a Public Accounts Committee?
10. What is the primary objective of Government Accounting?

SECTION - B (5 X 4 = 20)

Answer Any FIVE Questions:

11. State any Four differences between double account system and single account system.
12. From the following particulars, prepare a Profit and Loss A/c of New bank Ltd., for the year ended 31.12.2016.

	Rs.(in '000')
Interest on loans	260
Interest on fixed deposits	280
Rebate on bills discounted	50
Commission charged to customers	9
Establishment expenses	56
Discount on bills discounted	200
Interest on current accounts	45
Printing and advertisement	3
Interest on cash credits	225
Rent and taxes	20
Interest on overdrafts	56
Directors and Auditors fees	4
Interest on savings bank accounts	70
Postage and telegrams	2
Sundry charges	2

13. As on 31st December 2015, the books of the Hercules bank, include among others, the following balances

	Rs.
Rebate on bills discounted (1.1.2015)	3,20,000
Discount Received	46,00,000
Bills Discounted and Purchased	3,15,47,000

Throughout 2015, the bank's rate for discounting has been 18%

On investigation and analysis, the average due date for the bills discounted and purchased is calculated on 14th February, 2016. Show the calculation of the amount to be credited to the banks Profit and Loss A/c under discount earned for the year 2015. Show also the Journal entries required to adjust the above mentioned accounts.

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14. The following balances are abstracted from the books of New Bharat Life Insurance Co. Ltd., as on 31.03.2016.

	Rs. ('000)		Rs. ('000)
Life Assurance Fund(1-4-2015)	15,00,000	Claims paid during the year	64,900
Premiums	4,96,000	Annuities	2,050
Consideration for annuities granted	15,000	Bonus in reduction of premiums	1,600
Interest & Dividends	1,00,000	Medical Fees	2,400
Fines for revival of policies	750	Surrenders	4,000
Reinsurance premium	20,750	Commission	18,650
Claims outstanding (1-4-2015)	4,500	Management Expenses	22,000
		Income tax on dividends	8,500

Prepare Revenue A/c after making the following adjustments:

- (i) Outstanding balances: Claims –Rs.14,000, Premiums-Rs.4,600
(ii) Further bonus for premium-Rs.2,400
(iii) Claim under reinsurance-Rs.8,000
15. The life fund of a Life Insurance Company on 31.3.2016 showed a balance of Rs.54,00,000. However, the following items were not taken into account while preparing the Revenue A/c for 2015-2016.

	Rs.
a. Interest and dividends accrued on investments	20,000
b. Income tax deducted at source on the above	6,000
c. Reinsurance claims recoverable	7,000
d. Commission due on reinsurance premium paid	10,000
e. Bonus in reduction of premium	3,000

16. On 31st March, 2016 the balance sheets of H Ltd., and its subsidiary S Ltd., stood as follows:

Liabilities	H Ltd Rs.	S Ltd Rs.	Assets	H Ltd Rs.	S Ltd Rs.
Equity share capital	8,00,000	2,00,000	Fixed Assets	5,50,000	1,00,000
General reserve	1,50,000	70,000	75% shares in S Ltd (at cost)	2,80,000	-
Profit & Loss A/c	90,000	55,000	Stock	1,05,000	1,77,000
Creditors	1,20,000	80,000	Other current Assets	2,25,000	1,28,000
	11,60,000	4,05,000		11,60,000	4,05,000

Draw a consolidated balance sheet as at 31st March, 2016 after taking into consideration the following information:

- (i) H Ltd., acquired the shares on 31st July, 2015.
(ii) S Ltd., earned profit of Rs.45,000 for the year ended 31st March, 2016.
(iii) In January 2016, S Ltd, sold to H Ltd goods costing Rs. 15,000 for Rs.20,000.
On 31st March, 2016 half of these goods were lying as unsold in the godown of H Ltd.
17. What are the functions of Public Accounts Committee?
18. What are the features of Government Accounting?

SECTION – C (3 X 15 = 45)

Answer Any THREE Questions:

19. What are the advantages and disadvantages of the Double Accounting System?

20. On 31.12.2016, The following balances stood in the Books of Asian Bank Ltd. After preparation of its Profit and Loss Account.

	(Rs.in'000)
Share capital issued 80,000 shares of Rs.100 each, Rs.50 paid	4,000
Reserve fund	6,200
Fixed deposit	42,600
Savings bank deposits	19,000
Current accounts	23,200
Money at call and short notice	1,800
Investments	25,000
Profit and Loss Account (Cr) balance (1.1.16)	1,350
Dividend for 2015	400
Premises	2,950
Cash in Hand	380
Cash with RBI	10,000
Cash with other banks	6,000
Bills discounted and purchased	3,800
Loans, cash credits and over drafts	51,000
Bills payable	70
Unclaimed dividends	60
Rebate on bills discounted	50
Short loans (Cr)	4,750
Furniture	1,164
Other assets	336
Net Profit for 2016	1,550

Prepare balance sheet of the bank as on 31st December 2016.

21. From the following particulars relating to 'Z' Insurance Co. Ltd. Prepare Fire Revenue A/c for the year ending 31.3.2015.

	(Rs. In '000)		(Rs. In '000)
Claims paid	4,80,000	Premium received	12,00,000
Claims outstanding on 1.4.14	40,000	Reinsurance premium paid	1,20,000
Claims intimated but not accepted & paid on 31.3.15	10,000	Commission	2,00,000
Claims intimated and accepted but not paid on 31.3.15	60,000	Commission on reinsurance ceded	10,000
Commission on reinsurance accepted	5,000	Provision for unexpired risk on 1.4.14	4,00,000
Expenses of management	3,05,000	Additional provision for unexpired risk on 1.4.14	20,000
Bonus in reduction of premium	12,000		

You are required to provide for additional reserve for unexpired risk at 1% of the premium in addition to the opening balance

22. From the following Balance sheet relating to H Ltd And S Ltd. Prepare a consolidated Balance Sheet.

Balance Sheet as on 31.12.2012

Liabilities	H Ltd. Rs.	S Ltd. Rs.	Assets	H Ltd. Rs.	S Ltd. Rs.
Share Capital (Shares of Rs.10 each)	10,00,000	2,00,000	Sundry fixed assets	8,00,000	1,20,000
P & L A/c	4,00,000	1,20,000	Stock	6,10,000	2,40,000
Reserves	1,00,000	60,000	Debtors	1,30,000	1,70,000
Creditors	2,00,000	1,20,000	Bills receivable	10,000	-
Bills payable	-	30,000	Shares in S Ltd. At cost(15,000 shares)	1,50,000	-
	17,00,000	5,30,000		17,00,000	5,30,000

- a. All profits of S ltd have been earned after the shares were acquired by H Ltd. But there was already a reserve of Rs.60,000 on that date.
 b) All the bills payable of S Ltd were accepted in favour of H Ltd.
 c) The stock of H Ltd. Includes Rs.50,000 purchased from S Ltd. The profit added was 25% on cost.

23. Explain the provisions regarding the maintenance of books of accounts, presentation of annual accounts and audit of Government companies.
