



Register Number:

DATE: 30-11-2020

ST. JOSEPH'S COLLEGE (AUTONOMOUS), BANGALORE-27

B.Com – V SEMESTER

SEMESTER EXAMINATION: NOVEMBER 2017

BCDEA 5618: ADVANCED ACCOUNTING

Time-2 ½ hrs

Max Marks-70

This paper contains 4 (FOUR) printed pages and four parts

SECTION A

Answer any Five (5) of the following (5 * 2 Marks = 10 Marks)

1. List the subsidiary books maintained by Indian Banking Company.
2. What is paid-up policy?
3. State the objectives of inflation accounting.
4. What is Farm Accounting?
5. What is Cum-Interest?
6. Give examples for Variable income-bearing securities and Fixed Income Bearing securities.

SECTION B

Answer any THREE (3) of the following (3 * 5 Marks = 15 Marks)

7. Prepare Schedule 12 and Schedule 13 for a Life Insurance Company
Outstanding interest, Dividends and Rent Rs 10,000
Sundry creditors Rs 15,000
Claims outstanding Rs 10,000
Outstanding premiums Rs 50,000
Cash in hand Rs 50,000
Expenses of management Rs 20,000

8. Fire Insurance Company Ltd has furnished the following information for preparation of Revenue accounting for fire insurance business for the year ended 31st March 2019.

| Particulars | Rs in Lakhs |
|--|-------------|
| Claims admitted but not paid | 5,000 |
| Commission paid | 6,000 |
| Commission on reinsurance ceded | 1,400 |
| Share transfer fee | 240 |
| Management expenses | 9,300 |
| Bad debts | 300 |
| Premiums received less re insurance | 1,800 |
| Reserve for unexpired risks (1.4.2018) | 62,000 |
| Additional reserve (1.4.2018) | 27,600 |
| Claims outstanding (1.4.2018) | 4,800 |
| Dividend on share capital | 3,200 |

The following further information has also to be considered:

- Premiums outstanding at the end of the year Rs 4,800
 - It is the policy of the company to maintain 50% of premium towards reserve for unexpired risks
 - Additional reserve 10% of net premium to be maintained.
9. From the following information, Calculate Cost of Goods Sold by using Current Purchasing Power Method.

| | Historical cost in Rs | Index number |
|---------------------------|-----------------------|--------------|
| Stock as on 1-1-2019 | 20,000 | 100 |
| Purchases during 2019 | 1,50,000 | 120 |
| Stock as on 31- 12 – 2020 | 30,000 | 150 |

10. From the following information prepare 'Crop Account'

| Particulars | Rs in Lakhs |
|----------------------------------|-------------|
| Opening stock | |
| Fertilizer | 10 |
| Seeds | 10 |
| Wheat | 20 |
| Purchases | |
| Fertilizer | 4 |
| Seeds | 2.5 |
| Wages | |
| Cash payment | 35 |
| Paid in kind (wheat) | 23 |
| Sale of wheat | 400 |
| Wheat consumed by the proprietor | 16 |
| Depreciation on machinery | 2 |
| Closing stock | |
| Wheat | 30 |
| Seeds | 7 |
| Fertilizer | 8 |

SECTION C

Answer any TWO (2) of the following (15 * 2 Marks = 30 Marks)

11. From the following information, prepare Profit and Loss Account of Vasari Bank Limited for the period ended on 31st March, 2020. Working should form part of your answer:

| | Rs in '000 | | Rs in '000 |
|---|------------|----------------------------------|------------|
| Interest on loans | 300 | Interest on cash credits | 240 |
| Interest on fixed deposits | 275 | Interest on savings bank deposit | 87 |
| Commission | 10 | Postage, telegrams and stamps | 10 |
| Exchange and brokerage | 20 | Printing and stationary | 20 |
| Salaries and allowance | 150 | Sundry expenses | 10 |
| Discount on bills (Gross) | 152 | Rent | 15 |
| Interest on temporary overdrafts in current account | 30 | Taxes and licenses | 10 |
| | | Audit fee | 10 |

Additional information

- Rebate on bills discounted Rs 30,000
 - Salary of managing director Rs 30,000
 - Bad debts Rs 40,000
 - Provision for income tax is to be made @55% (round off to the nearest thousand)
 - Interest of Rs 4,000 on doubtful debts was wrongly credited to interest on loan account
 - Provide Rs 15,000 as dividend
12. The following trial balance was extracted from the books of National Life Assurance Co. Ltd as on 31st March 2020.

| Particulars | Debit (Rs) | Credit (Rs) |
|--------------------------------------|------------------|------------------|
| Share capital (Shares of Rs 10 each) | | 96,000 |
| Life assurance fund as on 1.4.2019 | | 17,83,380 |
| Dividends paid | 9,000 | |
| Bonus to policy holders | 18,900 | |
| Premium received | | 60,900 |
| Claims paid | 1,18,200 | |
| Commissions paid | 5,580 | |
| Management expenses | 19,380 | |
| Mortgage in India | 2,95,320 | |
| Interest, dividend and rent | | 67,620 |
| Agents balance | 5,580 | |
| Freehold premises | 24,000 | |
| Investments | 13,83,000 | |
| Loan against company's policies | 1,04,160 | |
| Cash on deposit | 16,200 | |
| Cash in hand and on current account | 4,380 | |
| Surrenders | 4,200 | |
| | 20,07,900 | 20,07,900 |

You are required to prepare Financial Statements with the support of schedules as on 31-3-2020 taking the following into consideration.

- a. Management expenses due Rs 120
 - b. Interest assured Rs 11,580
 - c. Claims admitted but not paid Rs 5,580
 - d. Premiums outstanding Rs 7,200
13. On 1.5.2018, Sowmya purchased Rs 25,000, 7% Debentures of Rs 100 each @ Rs 103 per Debenture ex.interest. Brokerage @ 0.125% and Legal expenses were Rs 20. On 1.11.2018 she sold 100, 7% debentures @ Rs 106 per debentures cum interest. Brokerage paid on it 0.125% interest is payable on 1st June and 1st December each year. Sowmya closes her books on 31st December each year. Prepare Necessary ledger accounts.

SECTION D

Compulsory Question

(15 Marks)

14. From the Trial balance prepare final accounts

| | Debit | Credit |
|-----------------------|--------|--------|
| Cash at bank | 76,00 | |
| Debtors | 2,000 | |
| OPENING STOCK | | |
| Live stocks | 10,000 | |
| Grains | 2,400 | |
| Fertilizers | 1,000 | |
| Cattle feed | 3,000 | |
| SALES | | |
| Live stock | | 2,200 |
| Dairy | | 800 |
| Grain | | 2,200 |
| Vegetables | | 1,200 |
| Sundry creditors | | 5,600 |
| Mortgage loan | | 30,000 |
| Capital | | 60,000 |
| PURCHASES | | |
| Live stocks | 2,000 | |
| Seeds and fertilizers | 1,600 | |
| Cattle feed | 600 | |
| Drawings | 600 | |
| Sundry expenses | 200 | |
| Machinery | 20,000 | |
| Land and buildings | 50,000 | |

Adjustments:

Closing stock

Live-stock Rs 12,000; grains Rs 5,000; Cattle feed Rs 2,000; fertilizer Rs 2,000

--- END OF THE QUESTION PAPER---