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Register Number:

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

**B.Com – V SEMESTER**

**SEMESTER EXAMINATION: OCTOBER 2021**

**(Examination conducted in February-March 2022)**

BC DEA 5618: Advanced Accounting

Time-2 ½ hrs Max Marks-70

 This paper contains 3 (THREE) printed pages and four parts

**(For supplementary candidates only. Kindly attach the question paper with the answer script)**

**SECTION A**

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

1. What is the minimum capital requirement in case of Banking companies incorporated outside India?
2. Why we do insurance?
3. What is Current purchasing power method?
4. State the purpose of farm accounting.
5. What is investment accounting?
6. How is provision on doubtful debts treated in bank account?

**SECTION B**

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

1. What is meant by Non-performing assets? Explain the guidelines given by RBI in treating a credit facility as a non-performing asset for each of the following items.
2. Term Loans
3. Cash credits and overdrafts
4. Bills purchased and discounted
5. Agricultural advances
6. Classify the following under the heads of profit and loss a/c of Banking co. Write both schedule number and the head against each of the below item.

|  |  |
| --- | --- |
| * 1. Interest on overdraft
	2. Interest on fixed deposits
	3. Commission charged to customers
	4. Discount on bills discounted
	5. Postal expenses
 | * 1. Transfer fees
	2. Locker rent
	3. Director’s fees
	4. Interest on loan
	5. Dearness allowance
 |

1. List the Cost or expenses of poultry farm and dairy farm.
2. Write short notes on right shares and bonus shares.

**SECTION C**

**Answer any THREE (3) of the following (15 \* 2 Marks = 30 Marks)**

1. A. Following data available from Fire insurance Department for the year 2020 -2021. Prepare Revenue account for the year ended 31st March 2021. (10 Marks)

|  |  |
| --- | --- |
| Particulars  | Amount in Rs in lakhs |
| Claims paid | 240 |
| Reinsurance premiums  | 60 |
| Commission  | 100 |
| Management expenses | 150 |
| Provision against unexpired risk April 1 2020 | 260 |
| Claims unpaid as on April 1 2020 | 20 |
| Claims unpaid as on March 31 2021 | 35 |

Provision against unexpired risk should be created as on 31st March 2021.

B. State the importance of insurance. (5 Marks)

1. **A.** For the year ending on March 31, 2021, the balances of The Narmada Bank Ltd. are given hereunder: **(10 marks)**

Interest on loan ₹2,50,000

Interest on fixed deposit ₹36,000

Salaries ₹30,000

Postage ₹5,000

Printing & stationery ₹6,000

Telephone & internet ₹4,000

Rent ₹7,000

Interest on saving bank deposit ₹20,000

Commission received ₹1,40,000

Legal charges ₹15,000

Insurance ₹9,000

Interest on cash credit account ₹3,40,000

Interest on overdraft ₹1,20,000

**Prepare Schedule 13,14,15 and 16 of Profit and loss account for the year ended on March 31, 2021**

B. Explain Cum interest and Ex interest. **( 5 Marks)**

1. A. Differentiate between life insurance and general insurance. **(5 Marks)**

B. Calculate the net monetary value. **(10 marks)**

 **Jan. 2021 Dec. 2021**

Monetary Assets 25,000 37,000

 Monetary Liabilities 30,000 40,000

 Retail Price Index No. 200 300

 Annual Average 240

**SECTION D**

**Compulsory Question (15 Marks)**

1. A. Prepare ‘Cattle Account’ from the following details **(10 marks)**

|  |  |
| --- | --- |
| Particulars  | Rs in ‘000 |
| Opening stock of livestock  | 150 |
| Closing stock of livestock | 250 |
| Cattle feed – Opening stock | 8 |
| Cattle feed – C losing stock | 6 |
| Purchase of cattle during the year | 400 |
| Sale of cattle during the year | 600 |
| Sale of Carcasses | 2  |
| Purchase of cattle feed | 25 |
| Wages for rearing cattle | 8 |

Crop worth Rs 10,000 grown in the farm was used to feeding cattle. Out of calves born, four died and their carcasses realized Rs 100

1. Explain the drawbacks of historical cost accounting technique in Inflation Accounting.

**(5 marks)**

**--- END OF THE QUESTION PAPER---**