



QP – 279

V Semester B.Com. Examination, March/April 2022
(CBCS) (2016 – 17 and Onwards) (F + R)

COMMERCE

Paper – 5.5 : Elective (Paper – I) : Advanced Accounting

Time : 3 Hours

Max. Marks : 70

Instruction : Answer should be written **completely** either in **English** or in **Kannada**.

SECTION – A

1. Answer **any five** sub-questions from the following. **Each** correct answer carries **two** marks. **(5×2=10)**
- Write the name of the below given Schedule relating to Banking Accounts ?
 - Schedule – 8
 - Schedule – 5.
 - What do you understand by Ex-Dividend and Cum-Dividend ?
 - Write two objectives of Farm Accounting.
 - Which is main body which regulates Insurance Company ?
 - State the methods of Inflation Accounting.
 - What is current investment ?
 - State two types of Insurance.

SECTION – B

Answer **any three** questions from the following. **Each** correct answer carries **6** marks. **(3×6=18)**

2. In Final Accounts of Banking Company, under which Schedules are the following items appear.
- Borrowing from SBI
 - Unclaimed dividend
 - Money at call and short notice
 - Saving Bank Deposit Account
 - Profit on sale of investment
 - Acceptance from customers.

P.T.O.



3. From the information given below, prepare a Crop Account to ascertain the Profit/Loss made by the farmer :

Particulars	Amount Rs.
Opening Stock :	
• Grains	3,000
• Seeds and fertilizers	4,500
Purchases :	
• Seeds	1,500
• Fertilizers	4,500
Sale of grain	25,000
Grain distributed as wages	3,000
Wages paid in cash	2,500
Grains consumed by Proprietor	2,000
Repairs and Maintenance	1,500
Crop insurance	500
Closing Stock :	
• Grains	6,500
• Seeds and fertilizers	5,500

4. From the following information calculate the benefit paid as per Insurance Regulation Act, 1938 :

	Rs.
• Claims by death	— 8,41,400
• Claims by maturity	— 5,25,000
• Annuities	— 2,25,000
• Surrenders	— 1,52,200
• Bonus in cash	— 18,800
• Bonus in reduction of premium	— 9,45,000
Additional Information :	
• Further bonus in reduction of premium	— 10,000
• Claims recovered under re-insurance	— 85,000



5. Prepare Revenue Accounts in the proper statutory form, relating to Guha Insurance Company Ltd. for the year ended 31-03-2017 from the following figures :

Particulars	Amount Rs.
Claims by death	75,220
Claims by maturity	35,100
Premium	9,55,000
Transfer fees	500
Consideration for annuity granted	85,650
Annuity paid	48,280
Bonus paid in cash	1,850
Expenses of Management	28,150
Commission	11,200
Interest, Dividend etc.,	1,25,550
Income tax there on	25,150
Surrender	12,140
Bonus in reduction of premium	850
Dividend paid to shareholders	6,500
Life Assurance fund	18,12,000

6. Explain the various method of Inflation Accounting.

SECTION – C

Answer **any three** questions from the following. **Each** correct answer carries **14** marks. **(3x14=42)**

7. Union Bank of India Ltd. presents its Ledger balances on 31-03-2021. Prepare Profit and Loss A/c and Balance Sheet of the bank.

Particulars	Amount Rs.
Loans	2,00,000
Cash credit	50,000



Overdraft	35,000
Premises	5,000
Investment	4,00,000
Salaries	28,000
General expenses	27,400
Rent, Rates and Taxes	2,300
Director's fees	1,800
Stock of stationery	8,500
Bills purchased	46,000
Cash in hand	1,00,000
Cash with RBI	93,000
Money at call	80,000
Share capital	5,00,000
Reserve fund	2,50,000
Current Account	1,00,000
Fixed deposit	1,25,000
Saving Bank deposit	25,000
Cash certificate	25,000
Profit and Loss Account 1-04-2014 (Cr)	16,000
Interest and discount	1,28,000
Interim dividend	17,000
Share in company	50,000
Recurring deposits	20,000

Other information :

- 1) Provide for doubtful debt Rs. 5,000.
 - 2) Interest receivable on investment Rs. 8,000.
 - 3) Unexpired discounts Rs. 380.
 - 4) Interim dividend declared was 4% actuals.
 - 5) Endorsement and guarantee Rs. 1,00,000.
 - 6) Additional made to premises during the year Rs. 10,000.
 - 7) Depreciate premises at 5% on opening balance.
8. From the following Trial Balance of a farmer, prepare Trading and Profit and Loss Account and Balance Sheet as on 31st March 2020.

Debit Balance	Amount	Credit Balance	Amount
	Rs.		Rs.
Opening Stock :		Sales :	
- Cattle	76,000	- Dairy products	1,40,000
- Paddy	48,000	- Paddy	97,000
- Cattle feed	6,500	- Cattle	<u>50,000</u>
- Fertilizers	<u>10,000</u>		2,87,000
	1,40,500	Creditors	65,000
Purchases :		Capital	3,99,500
- Cattle	20,000		
- Seeds	3,500		
- Fertilizers	5,000		
- Cattle feed	<u>9,200</u>		
	37,700		
Crop expenses :			
Labour	8,600		
Other direct			
expenses	<u>1,200</u>		
	9,800		
Cattle expenses :			
- Medicines	3,000		
- Labour	8,500		
- Dairy			
expenses	<u>3,000</u>		
	14,500		



General expenses	4,000	
Land	4,00,000	
Machinery	1,20,000	
Cash at bank	25,000	
	7,51,500	7,51,500

Adjustments :

- 1) Closing Stock : Cattle Rs. 96,000, Paddy Rs. 7,500, Cattle feed Rs. 4,000 and Fertilizers Rs. 3,000.
 - 2) Provide 10% depreciation on machinery.
 - 3) The proprietor has consumed the following items out of his farm output :
Dairy product Rs. 7,000, wheat Rs. 5,000.
9. The following are the Ledger balances of All People Life Insurance Company Ltd. as on 31-03-2022.

Particulars	Amount Rs.
Premium	18,91,000
Life Assurance Fund as on 1-03-2021	25,28,325
Claim paid	4,21,100
Claim admitted not paid	40,620
Consideration for annuity granted	1,20,500
Interest Dividend and Rent	1,71,120
Income tax on interest and dividend	30,700
Annuities	81,400
Loss on sale of investment	1,28,300
Loan on policies	6,50,500
Surrenders	1,13,300
Reassurance premium	2,15,000
Building	4,50,500

Policies stamps on hand	7,200
Mortgage in India	10,13,200
Bonus in reduction of premium	10,700
Bonus in cash	8,300
Investment	12,50,500
Furniture	25,300
Commission	41,170
Expenses of Management	1,28,300
Cash and Bank balance	1,41,290
Outstanding premium	4,41,100
Agent Balance (Dr.)	1,21,000
Outstanding expenses	53,000
Share capital	5,00,500
Dividend paid to Shareholders	25,500
Interest outstanding on investments	7,795

Prepare the Final Accounts of the company and also take the following adjustments into consideration :

- Claims covered under re-insurance is Rs. 48,000.
- Further Bonus in Reduction of Premium Rs. 5,500.

10. The following is the balances extracted from the Books of India General Insurance Co., as on 31-03-2022 :

Particulars	Fire Rs.	Marine Rs.
Claims paid	4,00,000	2,00,000
Premium less reinsurance	8,50,000	6,50,000
Commission on reinsurance ceded	26,000	-
Commission paid	1,30,000	1,10,000
Management expenses	1,80,000	1,40,000
Reserve as on 1-4-2021	4,50,000	4,80,000



Additional Reserve 1-4-2021	1,20,000	20,000
Claims outstanding 1-4-2021	50,000	25,000
Premium outstanding 1-4-2021	60,000	35,000
Depreciation on assets – Rs. 16,000		
Loss on sale of investment – Rs. 16,000		
Audit fees – Rs. 25,000		
Director fees – Rs. 70,000		
Interest, Dividend on investment – Rs. 1,30,000.		

Adjustments :

- Premium Outstanding on 31-03-2021 fire is Rs. 60,000 and Marine is Rs. 30,000.
- Reserve for unexpired risk to be maintained 50% on fire and 100% on marine on Net Premium.
- Additional reserve for fire to be maintained at 20% Net Premium.

11. a) From the following information of Sri Lakshmi Bank, calculate rebate on the bills discounted, the account are closed on 31st March 2022.

Date of the Bill	Period	Amount Rs.	Rate of Discount
15-10-2021	3 months	6,00,000	5%
10-01-2022	4 months	5,50,000	6%
12-02-2022	5 months	3,60,000	7%
14-03-2022	2 months	6,50,000	8%

- b) A Happy Life Insurance Company disclosed a fund of Rs. 20,00,000 on 31st March 2022 before taking the following into consideration :
- 1) A claim of Rs. 12,000 was intimated and admitted but not paid during the year.
 - 2) A claim of Rs. 8,000 outstanding in books for eight years is written back.
 - 3) A premium of Rs. 1,000 is payable under reinsurance.'
 - 4) Reinsurance recoveries Rs. 35,000.
 - 5) Bonus utilized in reduction of premium Rs. 5,000.
 - 6) Agents commission to be paid Rs. 6,000.