

V Semester B.Com. Examination, March 2023
(CBCS) (2022 – 23 and Onwards) (F + R)
COMMERCE
AC 5.5 : 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 question carries two marks. (5×2=10)
- a) What is reserve for unexpired risk ?
 - b) Give the meaning of contingent liability.
 - c) What is notional transactions ?
 - d) List out the methods of inflation accounting.
 - e) Expand IRDA.
 - f) What do you mean by bonus shares ?
 - g) State any two objectives of farm accounting.

SECTION – B

Answer any three of the following. Each question carries 5 marks. (3×5=15)

2. Under which schedule the following appears in final accounts of banking company ?
- a) Commission received
 - b) Premises
 - c) Printing and Stationery
 - d) Cumulative and Recurring deposits
 - e) Certificate of deposits.



3. Calculate the premium earned for the year ending 31-3-2022 from the following, in case of fire insurance.

	₹
Premium received less reinsurance	9,20,000
Premium outstanding on 1-4-2021	80,000
Premium outstanding on 31-3-2022	1,50,000
Reserve for unexpired risk on 1-4-2021	4,80,000

It is the policy of the company to maintain 50% of premium towards reserve for unexpired risk.

4. From the information given below, prepare crop account to ascertain the Profit/Loss made by the farmer.

Particulars	₹
Opening Stock	
Grains	1,50,000
Seeds	30,000
Fertilizers	10,000
Purchases	
Seeds	12,000
Fertilizers	8,000
Sale of grains	4,40,000
Grain distributed as wages	20,000
Wages paid in cash	31,000
Grains consumed by the livestock	15,000
Repairs	5,000
Depreciation	2,000
Interest on Bank loan	1,200

Closing Stock

Grains	80,000
Seeds	22,000
Fertilizers	12,000

5. Calculate Monetary Working Capital Adjustment (MWCA) from the following.

	Opening	Closing
	₹	₹
Debtors	50,000	70,000
Creditors	40,000	46,000
Index number	100	120
Average index	110	

6. Write a note on :

- Ex-Interest or dividend
- Cum-Interest or dividend
- Right Shares.

SECTION - C

Answer any three of the following questions. Each question carries 12 marks.

(3×12=36)

7. The following is the Trial Balance of Dena Bank Ltd., you are required to prepare Profit and Loss account and Balance Sheet for the year ended 31-3-2022.

Particulars	Dr.	Cr.
	₹	₹
Share capital		
10,000 equity Shares of		
₹ 100 each	—	10,00,000
Reserve Fund	—	3,00,000
Loans and cash credit	29,70,000	—

Premises	2,00,000	—
Indian Govt. securities	6,00,000	—
Deposits	—	25,50,000
Salaries	56,000	—
General Expenses	54,800	—
Rent and Taxes	4,600	—
Directors fees	3,600	—
Profit and Loss A/c (1-4-2021)	—	32,000
Interest and discount	—	2,56,000
Branch adjustments	—	2,00,000
Furniture	17,000	—
Bills purchased and discounted	92,000	—
Interim dividend paid	34,000	—
Borrowings	—	40,000
Cash in hand and with RBI	1,86,000	—
Money at call and short notice	1,60,000	—
	43,78,000	43,78,000

Additional Information :

- a) Unexpired discount ₹ 600.
- b) Depreciate premises at 5%.
- c) Bills for collection ₹ 10,000.

8. The following Trial Balance was extracted from the books of Ajaya Life Assurance Company Ltd., as on 31-3-2022.

Particulars	Dr. (₹)	Cr. (₹)
Share Capital	-	4,10,000
Life assurance fund (1-4-2021)		25,22,300
Dividend paid	30,000	-
Interest and dividend	-	1,27,700
Premium received	-	6,01,500
Surrenders	7,000	-
Claims paid	1,97,000	-
Commission paid	9,300	-
Management expenses	32,300	-
Mortgage In India	4,92,200	-
Agents balances	9,300	-
Free hold premises	5,40,000	-
Investments	21,05,000	-
Loans on company policies	1,73,600	-
Cash in hand	34,300	-
Bonus to policy holders	31,500	-
	36,61,500	36,61,500

Additional Information :

- 1) Interest accrued ₹ 10,200.
- 2) Management Expenses due ₹ 5,100.
- 3) Premium outstanding ₹ 15,100.

You are required to prepare Revenue Account and Balance Sheet.



9. From the following balances of Jindal General Insurance Company Ltd., as on 31-3-2022, prepare

- a) Fire Revenue Account
- b) Marine Revenue Account
- c) Profit and Loss Account.

Particulars	Fire ₹	Marine ₹
Bad Debts	5,000	12,000
Commission paid	1,08,000	90,000
Additional reserve	50,000	-
Survey expenses	10,000	-
Management expenses	1,45,000	4,00,000
Commission on re-Insurance ceded	60,000	30,000
Claims paid	1,08,000	3,80,000
Premium less re-Insurance	6,00,000	10,80,000
Reserve for unexpired risk (as on 1-4-2021)	2,50,000	8,20,000
Bad debts recovered	1,200	
Share transfer fees	800	
Difference in exchange (Cr.)	300	
Interest and dividend received	14,000	
Profit on sale of land	60,000	
Miscellaneous receipts	5,000	
Depreciation	35,000	
Directors fees	5,000	
Auditors fees	1,200	

In addition to usual reserve, additional reserve in case of fire insurance is to be increased by 5% of net.



10. A farmer given the following particulars relating to his farm for the year ending 31st March 2022.

Particulars	Dr. (₹)	Particulars	Cr. (₹)
Stock on 1-4-2021		Sales	
Livestock	3,05,000	Milk	1,52,000
Paddy	20,000	Paddy	2,63,000
Cattle feed	14,000	Livestock	45,000
Fertilizers	11,000	Creditors	59,000
Purchases		Capital	8,56,000
Livestock	56,000	Bank Loan	1,00,000
Paddy	20,000		
Cattle feed	34,000		
Crop expenses			
Labour	36,000		
Other direct expenses	4,000		
Livestock expenses			
Medicines	6,000		
Labour	36,000		
Dairy expenses	8,000		
General expenses	60,000		
Tractor	1,80,000		
Land	5,00,000		
Cash In hand and at Bank	1,85,000		
	14,75,000		14,75,000

Additional Information :

- 1) Closing Stock : Livestock ₹ 3,00,000, Paddy ₹ 1,50,000,
Cattle feed ₹ 9,000, Fertilizers ₹ 6,000.
 - 2) The proprietor has consumed the following items out of his farm output
Milk ₹ 24,000, Paddy ₹ 6,000.
 - 3) Provide 10% depreciation on tractor.
- Prepare Trading, Profit and Loss Account and Balance Sheet.

11. a) Calculate Rebate on Bills Discounted as on 31-3-2022.

Due Date	Amount ₹	Rate of discount
15-06-2022	20,000	11%
10-06-2022	56,000	13%
22-05-2022	94,000	10%

- b) What do you mean by inflation accounting ? State the advantages of inflation accounting.

SECTION - D

Answer any one of the following, carries 9 marks.

(1×9=9)

12. a) Draft the various investments valuation methods with brief explanation.

OR

- b) Draw a format of Balance Sheet of General Insurance Company under Schedule B of the Regulation.

ಕನ್ನಡ ಆವೃತ್ತಿ

ವಿಭಾಗ - ಎ

1. ಯಾವುದಾದರೂ 5 ಉಪ-ಪ್ರಶ್ನೆಗಳಿಗೆ ಉತ್ತರಿಸಿ. ಪ್ರತಿ ಪ್ರಶ್ನೆಗೆ 2 ಅಂಕಗಳು.

a) ಅವಧಿ ಮೀರದ ಆಪತ್ತುಗಳ ಮೀಸಲು ಎಂಬುದರ ಅರ್ಥ ತಿಳಿಸಿ.

b) ಅನಿಶ್ಚಿತ ಹೊಣೆಗಾರಿಕೆ ಎಂದರೇನು ?

(5×2=10)