

Reg. No. : .....

Name : .....

**Fifth Semester B.Com. Degree Examination, December 2021**

**First Degree Programme under CBCSS**

**Core Course**

**CO 1543/CC 1544 : ACCOUNTING FOR SPECIALISED INSTITUTIONS**

**(2014, 2016 & 2017 Admission)**

Time : 3 Hours

Max. Marks : 80

SECTION – A

Answer **all** questions. **Each** question carries **1** mark.

1. List any two items come under schedule 3 of AFS of banks.
2. Who is a Stag in Stock exchange?
3. List any two items in schedule 8 of AFS of Life Insurance Companies.
4. What do you mean by double insurance?
5. State any two functions of LSGIs.
6. What do you mean by arbitrage?
7. What do you mean by Bills Payable in the context of banking companies?
8. Name two entities which follow Double Account System.
9. What is SAANKHYA?
10. What is the accounting entry for bonus in reduction of premium?

**(10 × 1 = 10 Marks)**

P.T.O.

## SECTION – B

Answer any **eight** questions. **Each** question carries **2** marks.

11. What do you mean by Statutory Reserve? State the present rate of Statutory Reserve
12. Why do you prepare a Valuation Balance sheet?
13. State the accounting entries for recording opening and closing RBD.
14. Identify the major own source revenues of Local Self Governments.
15. List any four contingent liabilities of a Banking Company.
16. How will you calculate the amount of Claims to be shown in the Revenue account of a life insurance company?
17. What do you mean by disposable surplus? And how does it arise?
18. What do you mean by short selling of securities?
19. State any four features of AFS of public utility companies.
20. State any four functions of C&AG of India.
21. What do you mean by commission on reinsurance ceded?
22. Ascertain the interest income of Indian Bank Ltd for the year ending 31.03.2020.

Item	Interest Earned	Interest Received
Performing Assets	10,80,000	9,20,000
Non performing Assets	5,40,000	3,50,000

**(8 × 2 = 16 Marks)**

SECTION – C

Answer any **six** questions. **Each** question carries **4** marks.

23. What is capital base? How will you calculate capital base?
24. The Mega Life Assurance Company disclosed a surplus of Rs.80,50,000 disclosed by its Revenue Account for the year ending 31<sup>st</sup> March 2020. The following were ignored while preparing the Revenue Account. You are required to pass accounting entries and calculate the true surplus.
- (a) Claim intimated but not paid on 1.4.2019 Rs. 6,70,000
  - (b) Bonus in reduction of premium Rs. 4,20,000
  - (c) Commission of agents remains unpaid Rs.1,60,000
  - (d) Premium received in advance on 1.04.2019 Rs.2,40,000
  - (e) There is a reinsurance claim of Rs.1,60,000
25. Calculate the provision required on the following assets
- Standard assets:
- Secured Rs. 25 Lakhs
  - Unsecured Rs. 5 Lakhs
- Substandard
- Secured Rs. 32 Lakhs
  - Unsecured Rs. 3.2 Lakhs
- Doubtful
- Up to one year Secured Rs. 28 Lakhs
  - Up to three years Secured Rs. 14 Lakhs
  - Exceeding three years
    - Secured Rs. 8 Lakhs
    - Unsecured Rs. 2.5 Lakhs
- Loss Assets: Rs. 7.5 Lakhs

26. Differentiate double accounting system from single account system.
27. Mayoora Life Insurance Company discloses a life assurance fund of Rs. 50,60,000 for two years ending 31<sup>st</sup> March 2020. The Actuarial Valuation of expected liability in respect of un matured policies is Rs. 32,00,000. Profit in respect of investment fluctuation is calculated at Rs. 2,00,000. Amount to be transferred to next valuation period 5,00,000. The paid up capital of the company is Rs.25,00,000. Interim bonus paid during the valuation period is Rs.6,00,000. Income tax to be provided is Rs. 1,80,000. The company proposed a dividend of 10 percentages. Show the distribution of bonus to policy holders as per norms and also state bonus now available.
28. Examine the accounts to be maintained by a stock broker as per SEBI norms.
29. Pass accounting entries and compute the discount income to be reported in the Profit and Loss Account of Kerala Grameen Bank for the year ending 31.03.2020
- Rebate on bills discounted on 1.4.2019 Rs. 72,000
- Total bills discounted and purchased during the year Rs.82,00,000
- Amount credited to customers current account on account of bills discounted Rs. 73,25,000
- Average due date of bills of Rs. 12,00,000 discounted at 11% p.a. falls on 5<sup>th</sup> June 2020
30. Analyse the different classifications of Government Accounting in India
31. Naiveli Power Projects installed a main years back for Rs.36 Lacs. Now the company intends to replace 50 percent of main and to lay a supporting line to the balance. The cost of new line is Rs.75 Lacs and the supporting line 20 Lacs. The cost structure is 3:2:1 as material, labour and overheads. The present cost has been gone up by Material 50% Labour 40% and OHs 25%. From the replaced, material worth Rs. 5 Lacs used in the new and Rs.2.5 Lacs realized from sale. Pass accounting entries and show the detailed working.

**(6 × 4 = 24 Marks)**

SECTION – D

Answer any **two** questions. **Each** question carries **15** marks.

32. Examine in detail about the duties and powers of Comptroller and Auditor General of India.
33. From the following balances as on 31<sup>st</sup> March 2020 in the books of Beta General Insurance Co. prepare Fire Revenue Account.

	Rs.
Claims paid	24,80,000
Claims outstanding on 1 <sup>st</sup> April	60,000
Claims outstanding on 31 <sup>st</sup> March	1,10,000
Premium received	65,50,000
Re insurance premium	1,20,000
Commission	2,00,000
Commission on reinsurance accepted	40,000
Commission on reinsurance ceded	24,000
Expenses of management	3,15,000
Reserve for unexpired risk on 1-4	6,00,000
Additional reserve for unexpired risk	1,80,000
Reinsurance recoveries	80,000
Medical expense on claims	5,000
Loss on sale of motor car	4,000
Bad debts	5,000
Refund of double taxation	4,500
Interest and dividends	24,000
Income tax deducted there on	2,400
Legal expense on claim	8,300
Profit on sale of investment	2,400
Rent of staff quarters deducted from salary	22,000
Depreciation of furniture	4,600

You are required to provide for additional reserve by an increase of 1% of the net premium

34. Naharhaveli power projects earned Rs. 24 Lacs during the year ended 31<sup>st</sup> March 2020 after debenture interest @ 7.5% on Rs. 5,00,000. Show the disposal of surplus from the data given below

Original cost of fixed assets 200 Lakhs

Formation and other expenses 10 Lacs

Monthly average of current assets 50 Lacs

Loan from EB 30 Lacs

Development Reserve 10 Lacs

Reserve fund (represented by 4% Govt. Security) 20 Lacs

Contingency reserve fund investment 5 Lacs

Total depreciation written off 40 Lacs

Tariff and dividend control reserve 1 Lac

Security deposit from customers 4 Lacs

Bank Rate 6%

35. Global Bank Ltd. furnishes you the following balances after preparing the Profit and Loss

Account on 31 <sup>st</sup> March 2020.	(Rs. '000)
Share capital 80,000 shares @ Rs.100 each Rs.50 paid	4,000
Statutory Reserve (u/s 17)	6,200
Fixed deposits	42,600
Savings bank deposit	19,000
Current accounts	23,200
Money at call and short notice	1,800
Government securities	9,000

Account on 31 <sup>st</sup> March 2020.	(Rs. '000)
Other investments	16,000
Profit and loss balance on 1 <sup>st</sup> April	1,350
Dividend for 2018-19	400
Premises (after depreciation up to 31.03.2020)	2,950
Cash in hand	380
Cash with RBI	10,000
Bill discounted and purchased	3,800
Cash with other banks	6,000
Loan cash credit overdraft	51,000
Drafts payable	70
Unclaimed dividend	60
Rebate on bills discounted	50
Loans from ADB	4,750
Furniture and fixtures (after depreciation Rs.136)	1,164
Branch adjustment Dr	336
Net profit for the year	1,550

Prepare Balance Sheet of the Bank as on 31-03-2020.

**(2 × 15 = 30 Marks)**