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V Semester B.Com. Degree Examination, January/February- 2025

COMMERCE**Advanced Accounting (Accounting Elective)****(CBCS Scheme NEP F+R Regular 2023-24 Onwards)****Paper : (A) 5.4****Time : 2½ Hours****Maximum Marks : 60****Instructions to Candidates:**

Answer should be written completely in English only.

SECTION - AAnswer any **Five** of the following sub-questions. Each sub-question carries **2** marks.**(5×2=10)**

1. a) What is money at call and short notice?
- b) How do you treat the following items in Bank final a/c?
 - i) Unpaid dividend.
 - ii) Interest accrued on Investment.
- c) What is Reinsurance?
- d) What is meant by Insurance claim ceded?
- e) What is reserve for unexpired risk?
- f) State any two reasons for buyback of shares.
- g) What is Ex interest and cum interest of securities?

SECTION - BAnswer any **Four** of the following questions. Each question carries **5** marks. **(4×5=20)**

2. The following information have been extracted from the books of Sumukha Ltd. as on 31-3-2024
 - a) **Issued and subscribed capitals:**
10,00,000 equity shares of Rs. 10 each. fully paidup Rs. 100,00,000.
 - b) **Reserves and Surplus:**
General Reserve Rs. 16,00,000, Surplus Rs. 4,00,000, Capital reserve Rs. 6,00,000, Securities premium Rs. 3,00,000, 12% Debentures Rs. 10,00,000.
 - c) Cash and Bank balance Rs. 20,00,000.
 - d) The company decided to buyback 20% of its paidup equity share capital at face value. It was also decided to issue further 12% Debentures of Rs. 10,00,000 at par for the purpose of buyback pass necessary journal entries.
3. Mr. X purchased 18% Government stock of Rs. 40,400 from Y Ltd. on 1-3-2024 date of Interest-30/6 and 31/12 at Rs. 101 (Ex Interest) Mr. X incurred.

Stamp duty 3%	Brokerage 2%
Taxes 1%	Legal charges Rs. 30

 Calculate cost of purchase, and pass necessary Journal Entry.

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4. Following bills are discounted by MS.Bank Ltd, during the financial year 2023-24. You are required to findout rebate on bills discounted for the year ending 31-3-2024.

Amt of Bills	Due Date	Rate of Interest
60,000	31-07-2024	14% p.a
65,000	30-06-2024	12% p.a
1,00,000	31-05-2024	15% p.a
85,000	31-08-2024	16% p.a

5. The following particulars related to a life Insurance corporation for the year 31-3-2024

Particulars	Amount
Premium received during the year	11,33,000
Bonus in reduction of premium for 2023-24	7,000
Outstanding premium on 1-4-2023	87,000
Outstanding premium on 31-3-2023	1,09,000
Premium received in advance on 1-4-2023	28,000
Premium received in advance on 31-3-2024	22,000
Reinsurance premium paid for 2023-2024	60,000

Findout the amount of premium to be included in revenue a/c.

6. A marine Insurance company reported the following details for the year of its working make necessary provisions for unexpired risk at 100% on net premium and ascertain profit or loss made by the company.

Particulars	Amount
Premium received on original policies	80,00,000
Reinsurance premium paid	11,00,000
Reinsurance premium received	3,50,000
claims	11,00,000
Commission on Direct Business	4,65,000
Expenses of management	21,00,000

SECTION - C

Answer any **Two** of the following questions. Each question carries **12** marks. (2×12=24)

7. Mr. Prajwal an Investor furnishes the following details relating to his holding in 6%. Govt bonds.
1. Opening balance-facevalue Rs. 60,000, cost Rs. 59,000.
 2. On 1-3-2024 purchased 100 units Ex Interest @ Rs. 98.
 3. On 1-7-2024 sold 200 units Ex Interest @ Rs. 99.
 4. On 1-11-2024 purchased 50 units @ Rs. 98 cum Interest
 5. On 1-12-2024 sold 200 units @ Rs. 97.
 6. Interest dates are 30-Sept and 31-March. He closes his books every 31-Dec. Calculate the value of closing stock as on 31-12-2024 under FIFO method and average cost method. The debentures were quoted at Rs. 97 on 31-12-2024.



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8. Meenakshi Bank Ltd. requires you to prepare profit and loss a/c balance sheet as on 31-3-2024, from the following details.

Particulars	Dr	Cr
Share capital 1,00,000 Equity shares of Rs. 10 each	-	10,00,000
Reserve fund	-	5,00,000
Loans, cash credits and overdrafts	5,70,000	-
Premises	1,00,000	-
Investments in Govt. Securities	8,00,000	-
Current Deposits	-	2,00,000
Fixed Deposits	-	2,50,000
Savings Bank Deposits	-	1,00,000
Salary to Staff	56,000	-
Directors Fees	3,600	-
Rent and Rates and Taxes	4,600	-
General Expenses	54,800	-
Profit and loss a/c (1-4-2023)	-	32,000
Interest and discount	-	2,56,000
Stationery	17,000	-
Bills purchased and discounted	92,000	-
Interim Dividend paid	34,000	-
Recurring Deposits	-	40,000
Shares	1,00,000	-
Cash in hand and with RBI	3,86,000	-
Money at call and short notice	1,60,000	-
Total	23,78,000	23,78,000

Additional Information :

- * Endorsement made on behalf of customers totaled Rs. 1,15,000.
- * Unexpired discount amounted to Rs. 380.
- * Interest accrued on Investments Rs. 8,000.

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9. The following initial balance was extracted from the Books of RS Life Assurance Company Ltd as on 31-3-2024.

Particulars	Rs. Debit	Rs. Credit
Share capital	-	3,20,000
Life Assurance fund 1-4-2023	-	59,44,600
Dividend paid	30,000	-
Interest and Dividend received	-	2,25,400
Premium received	-	2,03,000
Surrenders	14,000	-
Claims paid	3,94,000	-
Commission paid	18,600	-
Management Expenses	64,600	-
Mortgage in India	9,84,400	-
Agent Balances	18,600	-
Freehold Premises	80,000	-
Investments	46,10,000	-
Loan on company's policies	3,47,200	-
Cash Deposits	54,000	-
Cash in hand	14,600	-
Bonus to policy holders	63,000	-
Total Rs.	<u>66,93,000</u>	<u>66,93,000</u>

You are required to prepare company's revenue a/c for the year ended 31-3-2024 and its balance sheet as on that date.

- * Claims admitted but not paid Rs. 18,600.
- * Premium outstanding Rs. 24,000.
- * Interest accrued Rs. 1,88,600.
- * Management expenses due Rs. 400.

SECTION - D

Answer any **One** of the following questions which carries **6** marks.

(1×6=6)

10. List any six companies which have exercised buyback along with the terms of buyback.
11. Prepare statement of claims with imaginary figures of General Insurance company.