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B.M.S COLLEGE FOR WOMEN
BENGALURU – 560004

V SEMESTER END EXAMINATION – JAN/FEB - 2024

B.Com. – ADVANCED ACCOUNTING
(NEP Scheme 2021-22 Onwards)

Course Code: COM5DSCA01

Duration: 2 ½ Hours

QP Code: 5501

Max. Marks: 60

Instructions: Answer all the sections.

SECTION-A

1. Answer any FIVE of the following. Each question carries TWO marks. (5X2=10)

- Identify the schedule for the following items as treated in Final Accounts of Banking.
Locker Rent, Gold Bullion, Silver and Transfer fees.
- What is Statutory Liquidity Ratio?
- What is meant by Buy Back of Shares?
- What do you mean by vesting period?
- What is Reversionary Bonus?
- Name any 4 types of General Insurance.
- Give the meaning of Reserve for unexpired risk with regard to General Insurance.

SECTION-B

Answer any FOUR of the following. Each question carries FIVE marks. (4X5=20)

2. The following bills have been discounted by Indian Bank during the year 2022-23 at 5% p.a

Date of Bill	Amount	Period of Bill
17-11-2022	1,50,000	6 months
25-01-2023	75,000	5 months
20-02-2023	2,00,000	4 months

Calculate rebate on bills discounted as on 31st March 2023

3. Explain the objectives of Buy Back of Shares

4. Axis Cades Ltd grants to its employees, 2000 options on 1/4/2021 at Rs 60 per share. The market Price of the share is Rs 100 and the face value is Rs 10/-. The vesting period is 2 years and the maximum exercise period is one year. 1,500 options were exercised on 31-10-2023 and the remaining options lapsed.

Pass necessary Journal Entries for ESOP in the books of Axis Cades Ltd.

5. The following information relates to Aviva Life Insurance Company for the year ended 31st March 2022.

Particulars	Amount in Rs
Claims by death	12,00,000
Claims by maturity	18,60,000
Surrenders	2,40,000
Bonus paid in cash	3,80,000
Outstanding claims as on 1/4/2021	65,000
Reinsurance claims on death ceded	80,000
Reinsurance claims on maturity accepted	50,000
Bonus in reduction of premium	2,26,000

Additional information as on 31/3/2022:

1. Outstanding claims Rs. 35,000
2. Further claims by death Rs. 90,000
3. Surrenders adjusted against loans Rs 22,000

Calculate the amount of benefits paid to be shown in Schedule 4 of Life Insurance Company Accounts

6. Global Ltd decided to buy back 2,40,000 Equity shares of Rs 10 each at a premium of 25%. For this, it issues 20,000, 8% Preference shares of Rs 100 each at par. The company has Rs. 3,20,000 in General Reserve, Rs 4,00,000 of credit balance in Profit and Loss Account, Rs 4,80,000 in Capital Reserve and Rs 4,00,000 in Security Premium. The company decided to utilize profits and reserves also

Pass necessary journal entries for these transactions

SECTION-C

Answer any TWO of the following. Each question carries TWELVE marks.

(2X12=24)

7. The following is the trial balance of Federal Bank Ltd as on 31st March 2023.

Particulars	Debit	Credit
Share Capital		20,00,000
Reserve Fund		6,00,000
Loans and Cash credits	59,40,000	
Premises	2,00,000	
Investment in Government Securities	12,00,000	
Current Deposits		44,00,000
Fixed Deposits		5,00,000
Saving Bank Deposit		2,00,000
Recurring Deposits		80,000
Salaries	1,12,000	
General Expenses	1,09,600	
Printing and Stationery	6,400	
Audit Fees	10,000	

Profit & Loss A/c on 1/4/2022		64,000
Interest and discount		5,12,000
Telegraphic Transfer		1,75,000
Circular notes		1,25,000
Inter branch adjustments		1,00,000
Stationery and stamps	34,000	
Bills purchased and discounted	1,84,000	
Dividend paid	68,000	
Shares	2,00,000	
Cash in Hand and with RBI	3,72,000	
Cash with other bank	1,00,000	
Money at call and short notice	2,20,000	
	87,56,000	87,56,000

Additional Information:

1. Provide for doubtful debts Rs 15,000
 2. Interest accrued on investment Rs 20,000
 3. Unexpired discount Rs 1,200
 4. Endorsement on behalf of customers Rs 2,00,000
 5. Premises added during the year Rs 20,000. Depreciate premises at 5% on opening balance
- Prepare Banking Final Accounts as per Schedule 3 of Banking Regulation Act

8. Following is the Trial Balance extracted from the books of Indian Life Insurance Society as on 31st March 2023

Particulars	Debit (Rs)	Credit (Rs)
Paid up Capital		1,00,000
Life Assurance Fund at the beginning of the year		29,72,300
Bonus paid in cash	31,500	
Premium collected		1,61,500
Claims paid	1,97,000	
Commission	9,300	
Management expenses	32,300	
Mortgage in India	4,92,200	
Interest and dividends received		1,12,700
Agents balances	9,300	
Premises	40,000	
Investment in Government Bonds	23,05,000	
Loans against policies	1,73,600	
Cash deposit	27,000	
Cash in hand	7,300	
Surrenders	7,000	
Dividend paid	15,000	

Additional Information:

1. Claims admitted but not paid Rs 9,000
2. Outstanding management expenses Rs 2,000
3. Premium outstanding Rs 29,300
4. Bonus in reduction of premium Rs 2,000
5. Reinsurance claim receivable Rs 2,300

You are required to prepare Revenue Account and Balance Sheet for the year ended 31-3-2023

9. From the following balances of Oriental Insurance Co Ltd as on 31-3-2023 prepare

i) Fire Revenue Account ii) Marine Revenue Account iii) Profit and Loss Account

Particulars		Fire (Rs)	Marine (Rs)
Premium less reinsurance		24,00,000	43,20,000
Premium outstanding 1/4/2022		52,000	34,000
Claims paid		7,60,000	15,20,000
Commission paid		3,60,000	4,32,000
Reserve (1/4/2022)		10,00,000	32,80,000
Additional Reserve (1/4/2022)		2,00,000	-
Management expenses		5,80,000	16,00,000
Commission earned on reinsurance ceded		1,20,000	2,40,000
Bad debts		20,000	48,000
Auditor's fees	12,000		
Director's fees	12,400		
Share transfer fees	3,200		
Depreciation	1,40,000		
Interest, Dividend received	56,000		
Difference in Exchange (Cr)	1,200		
Sundry receipts	24,800		
Profit on sale of Land	2,40,000		

Additional Information:

1. Reserve for unexpired risks to be maintained at 50% and 100% of Net Premium of fire and marine insurance respectively
2. Additional reserve in case of fire insurance is to be increased by 10% of Net Premium
3. Premium outstanding on 31-3-2023 Fire - 60,000 Marine – 40,000

SECTION-D

Answer any ONE of the following. Question carries SIX marks.

(1X6=6)

10. Differentiate between Life Insurance and General Insurance
11. Write the regulations as per SEBI for ESOS

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