



Reg. No. :

Name :

Fifth Semester B.Com. Degree Examination, December 2017
First Degree Programme under CBCSS
Core Course : CC1543/CO1543/CC1544
ACCOUNTING FOR SPECIALIZED INSTITUTIONS
(Common for Commerce/Commerce with Computer Applications)

Time : 3 Hours

Max. Marks : 80

W/Sem
PART – A

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

1. Who is the appointing authority of Comptroller and Auditor General of India ?
2. Who is the present Chairman of 'SEBI' ?
3. IRDA, headquarters is located at
4. Mention the 2 methods of depreciation on fixed asset as per the Electricity Act.
5. The method of rapidly posting entries in the books of banks is called as
6. The balance sheet of a banking company are prepared as per form _____ of Banking Regulation Act.
7. In the balance sheet banks show the provision of income tax under the head
8. Schedule I of bank financial account is concerned with
9. Acceptance, endorsement and other obligations come under the head _____ in bank balance sheet.
10. _____ is the amount payable to the insured on the happening of the event.

(10×1=10 Marks)

PART – B

Answer **any 8** questions. **Each** question carries **2** marks.

11. Two limitations of Govt. accounting in India.
12. Who is a jobber ?



13. Briefly explain contingency reserve in electricity company accounts.
14. Briefly explain development reserve.
15. Name the 6 components of final account of electricity companies.
16. Tariff and dividend control reserve – meaning.
17. Meaning of commission on reinsurance accepted.
18. What do you mean by reinsurance ?
19. What do you mean by surrender value ?
20. Mention 4 general insurance policies.
21. Mention the name of the life insurance policy directly issued by Govt. of India and the name of the Dept. issuing it.
22. Mention the names of 2 major stock exchanges in India with their HQ and Stock Market Index.
(8×2=16 Marks)

PART - C

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

23. Write short notes on consolidated fund of India. Contingency fund and public fund under Govt. accounting.
24. What are the main features of stock exchange transaction ?
25. Explain the general features of depreciation in the case of electricity companies.
26. What are the main objects of preparing final accounts in the case of electricity company ?
27. Briefly explain the main features of accounts of local bodies in Kerala.
28. Give a proforma of Schedule 13 of the Banking Regulation Act in respect of bank final account.
29. From the following compute the rebate on bills discounted for the year ending 31-3-2010. The rate of discount may be taken at 10% /annum.

Amount (Rs.) Due date

2,80,000	Jan. 1/2010
8,72,000	June 8/2010
5,64,000	June 21/2010
8,12,000	July 1/2010
6,00,000	July 5/2010



30. The revenue account of LIC showed the life fund @ 73,17,000/- on 31-12-2009 before taking into account the following items.

	Rs.
a) Claims intimated but not admitted	98,250
b) Bonus utilized in reduction of premium	13,750
c) Interest accrued on investment	29,750
d) Outstanding premium	22,000
e) Claims covered under reinsurance	40,500
f) Provision for taxation	31,500

Calculate the true life fund after these adjustments.

31. A LIC gets its valuation made once in every 2 years. Its life assurance fund on 31-3-2010 amounted to Rs. 41,40,000/- before providing Rs. 30,000/- for share holders dividend for the year 2009/10. Its actuarial valuation due on 31-3-2010 disclosed a net liability of Rs. 40,40,000/-.

An interim bonus of Rs. 60,000/- was paid to the policy holders during the year ending 31-3-2010. Prepare a statement showing the amount non available as bonus to policy holders during the year ending 31-3-2010. Prepare a statement showing the amount non available to policy holders after preparing valuation balance sheet. (6x4=24 Marks)

PART – D

Answer any 2 questions. Each question carries 15 marks.

32. a) Give the meaning, features and objects of Govt. accounting.
 b) Difference between Govt. accounting and commercial accounting.
33. Prepare a Revenue Account in respect of Fire Business from the following details for the year 2009/10.

	Rs.		Rs.
Reserve for unexpired risk on 1-4-2009 @ 50%	1,80,000	Premium recovered	4,86,000
Additional reserve	36,000	Premium on reinsurance acceptor	32,000
Estimated liability for Claims intimated on 1-4-2009	31,000	Premium on reinsurance ceded	43,000
on 31-3-2010	42,000	Commission on direct business	48,600
Claims paid	3,65,000	Commission on reinsurance accepted	1,600
Legal expenses	6,000	Commission on reinsurance ceded	2,100
Medical expenses	4,000	Expenses on management	90,000
Re-insurance recoveries	32,000	Interest dividend and rent	24,000
Bad debts	800	Profit on sale of investments	3,000

Create reserves on 31st March 2010 to the same extend as on 1-4-2009.



34. From the following ledger balances of Laxmi Bank Ltd. prepare the Profit and Loss Account and Balance Sheet as on 31-3-2010.

	(Rs.'000)		(Rs.' 000)
Share capital :			
12,500 equity shares of Rs. 100 each	1,250	Interest, discount and commission	245
Statutory reserve	600	Cash in hand and with RBI	1,584
Current Accounts and Deposit A/cs	7,732	Money at call and short notice	274
P&L A/c (balance)	15	Bills discounted	379
Interest paid	27	Loans and advances	4,665
Govt. securities	600	Bank premises and furniture	418
Other securities	825	Non banking assets	337
Shares and stock	637	Shares and stock	637
Payment to employees	74	Make a provision for rebate on bills discounted	3,000
Depreciation on premises	22		

35. a) ABC Electricity Company laid down a main to a cost of Rs. 24 lakhs. Some years later the company replaced it by improving the plant 2/3 portion of the main at a cost of Rs. 40 lakhs. The cost of material and labour having gone up by 25%. Sale of old material realized 95,000/-. Old material used Rs. 1,05,600/- were used in the renewal (including above). Calculate the amount to be capitalised, chargeable to revenue and show the journal entries.
- b) An Electricity Company had to replace a quarter of the main and lay axillary main for the remaining length. The total cost of the old main is Rs. 10 lakhs. The cost of axillary main is 9 lakhs and the cost of new main have gone up 30%. The actual cost of a quarter of the main to be replaced is Rs. 3,50,000/- Journalize the transactions and show your workings. **(2×15=30 Marks)**

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SECTION – A

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

1. Which insurance does not provide any bonus to the policy holders?
2. Schedule 8 of bank final accounts explain _____.
3. What are standard assets?
4. What is life insurance?
5. Mention any two stock exchanges in India.
6. Explain tariff dividend control reserve.
7. What do you mean by clear profit?

8. What are group c shares?
9. Who is the present CAG of India?
10. Who is responsible for auditing of govt accounts?

(10 × 1 = 10 Marks)

SECTION – B

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

11. What is valuation balance sheet?
12. What is bonus in reduction of premium?
13. Explain the terms SLR.
14. What do you mean reversionary bonus?
15. What is development reserve?
16. What is general reserve of electricity company?
17. Explain the functions of stock broker.
18. What is backwardation?
19. A life insurance company disclosed a fund of Rs. 14,00,000 on 31/3/2019 before taking the following into consideration

(a) Interest approved on investment	14,250
(b) Outstanding premium	14,400
(c) Bonus in reduction in premium	3,375
(d) Claims intimated but not admitted	8,700
(e) Claims covered under reinsurance	3,250

Prepare a statement for re computation of funds.

20. What do you mean by short selling?

21. From the following information prepare schedule 3 of banking companies.

(a) Demand deposit	40,000
(b) Office expenses	5,000
(c) Borrowing from RBI	50,000
(d) Savings bank deposits	80,000
(e) Bills payable	2,000
(f) Term deposits	1,00,000

22. What do you mean by Kerb Market?

(8 × 2 = 16 Marks)

SECTION – C

Answer any six questions. Each question carries 4 mark.

23. Krishna bank limited has the following bills to be discounted on 31/3/2018. Compute the rebate on bills discounted.

Date of bill	Amount	Term	Rate of discount
10/1/2015	9,00,000	3 months	10%
16/2/2015	7,00,000	4 months	12%
11/3/2015	5,00,000	3 months	11%

24. How do you treat rebate on bills discounted if

- (a) Rebate on bills discounted is given in trail balance
- (b) If rebate on bills discounted is given in adjustment

25. The life assurance fund of Bharat life insurance company limited was 4192000 as on 31/12/2018 its actuarial valuation on 31/12/2018 disclose a net liability of 4040000 an interim bonus of 40000 was paid to the policy holders. It is now proposed to carry forward 32000 and divide the balance between policy holders and share holders. You are required to show

- (a) valuation balance sheet
- (b) distribution of net profit
- (c) final bonus payable to policy holders.

26. Explain the difference between life insurance and general insurance.

27. Explain the functions of CAG in India.

28. Write a note on features of bank accounting.

29. Write a note on contingency reserve.

30. Give a summarized format of Revenue account of insurance companies.

31. From the following information calculate the amount of provision to be made in the profit and loss account for the year ended 31st March.

Particulars	Amount in lakhs
Standard	10,000
Sub standard	64,000
Doubtful assets :	
For one year	3,200
For two years	1,800
For three years	900
For more than 3 years	1,100
Loss assets	3,000

(6 × 4 = 24 Marks)

SECTION – D

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

32. What is stock exchange? Explain the major functions of stock exchange.
33. From the following particular prepare profit and loss account of global bank limited for the year ended 31/3/2019.

Interest on loans	2,59,000
Interest on fixed deposit	2,75,000
Rebate on bills discounted	49,000
Commission charge to customers	8,200
Establishment expenses	54,000
Interest on cash credit	2,23,000
Interest on current account	42,000
Rent and taxes	18,000
Interest on over draft	54,000
Director's and audit fees	4,200
Interest on savings bank deposit	68,000
Discount on bills discounted	1,95,000
Postage	1,400
Printing	2,900
Sundry charges	1,700

34. Following are the details extracted from the books of Bharat Life Assurance Company as on 31st March 2019

	Amount in lakhs
Premium	1,200
Reinsurance premium ceded	250
Reinsurance premium accepted	175
Claims paid	675
Surrenders	125
Commission on direct business	50
Commission on reinsurance ceded	20
Commission on reinsurance accepted	15
Consideration for annuity granted	40
Annuities paid	32
Interest dividend (after deduction of income tax at source 2 lakhs)	23
Reinsurance claims received	12
Registration fees	2
Salaries and allowances	15
Managerial remuneration	3
General expenses	2
Depreciation on fixed assets	3
Profit on sale of investment	5

Prepare revenue account after adjusting the following

Premium outstanding Rs. 20 lakhs

Claims outstanding Rs. 4 lakhs

Reinsurance claim receivable Rs. 12 lakh

Commission on direct business Rs. 3 lakhs

35. Following balances are extracted from the books of city light supply corporation as on 31st March 2019

Equity shares		1,64,700
Debentures		60,000
Sundry Creditors on open account		300
Depreciation fund		75,000
Capital expenditure on 31.3.2018	2,85,000	
Capital Expenditure on 2018-19	18,300	
Sundry debtors for Current supplied	12,000	
Other debtors	150	
Stores in hand	1,500	
Cash in hand	1,500	
Cost of generation of electricity	9,000	
Cost of distribution of electricity	1,500	
Management expenses	3,600	
Depreciation	6,000	
Interest on debentures	3,000	
Interim dividend	6,000	39,000
Sale of current		
Meter rent		8,550
Balance of net revenue accounts as on 01.0.4.2018	<u>3,47,550</u>	<u>3,47,550</u>

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Prepare

- (a) Capital account
- (b) Revenue account
- (c) Net Revenue account
- (d) General balance sheet.

(2 × 15 = 30 Marks)