

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics, Margao-Goa
SY B.Com, Semester-IV Supplementary Examination June 2023
Accounting for Service Organisation (COC110)
Truncated Syllabus for 2021 - 2022

Duration: 2 Hours

Max Marks: 80

Instructions:

- a) Start each question on a fresh page.
- b) Figures to the right indicate maximum marks.
- c) Question No 1 is compulsory, answer any 3 Questions from remaining.
- d) Working notes if any should be a part of the solution.

Q.1 From the following information prepare Profit and Loss Account of Lokmanya Bank for the year ended 31st March 2023: **(20 Marks)**

| Particulars | Amount (Rs) | Particulars | Amount (Rs) |
|------------------------------|-------------|----------------------------------|-------------|
| Interest on Loans | 21,000 | Interest on overdraft | 15,400 |
| Interest on Fixed deposits | 31,700 | Directors fees | 300 |
| Rent Received | 820 | Miscellaneous expenses | 120 |
| Postage and Telegrams | 5,400 | Interest on saving bank deposits | 6,800 |
| Discount on bills discounted | 15,500 | Telephones expenses | 140 |
| Interest on cash credits | 22,300 | Printing and stationary | 290 |
| Lighting | 1,800 | Sundry charges | 170 |

Additional Information:

- Provide for Contingences Rs 20,000
- Transfer 25% of profit to statutory reserve
- Transfer Rs 2,025 to other Reserves

Q.2 The following particulars relate to ICICI bank Ltd as on 31st March 2023 **(20 Marks)**

| Particulars | Rs |
|-----------------------------|----------|
| Paid up capital (Rs 10) | 4,00,000 |
| Bills discounted | 3,60,000 |
| Fixed deposits | 7,00,000 |
| Loans (cr.) | 50,000 |
| Cash certificates | 50,000 |
| Profit and loss A/c (cr.) | 44,000 |
| stamps and stationery | 500 |
| Branch adjustment (dr.) | 1,500 |
| Reserve fund | 1,54,000 |
| Overdrafts and cash credits | 5,60,000 |
| Unclaimed dividend | 1,000 |
| Branch adjustments (cr.) | 1,000 |
| Loans | 9,20,000 |
| Current account | 6,00,000 |

| | |
|--|----------|
| Furniture | 8,000 |
| Savings A/c | 4,00,000 |
| Cash in hand and with RBI | 99,500 |
| Tax paid in advance | 500 |
| Cash with other banks | 2,00,000 |
| Endorsement and acceptances | 30,000 |
| Investments (at cost) in shares | 1,90,000 |
| Bills for collection being bills receivables | 20,000 |
| Money at call and short notice | 60,000 |

Additional Information:

- The directors decided to take investments at market value Rs 2, 10,000.
- Advances of Rs 10, 00,000 were made to public sector and Rs. 8, 40,000 to other banks. Secured borrowings Rs 20,000.
- Prepare a bank balance sheet as on 31st March 2023 as per Banking Regulation Act.

Q.3 A joint stock company issued 15,00,000 equity shares of Rs10. Each at par. 30% of the issue was reserved for the promoters and the balance was offered to the general public. The entire amount being asked for at the time of applications. P, Q and R agreed to underwrite the public issue in the ratio of 3:1:1 respectively. They agreed to a firm underwriting of 30,000, 20,000 and 10,000 respectively. The underwriting commission was fixed at 2%. The marked applications were as follows: P-5,50,000 shares, Q-2,00,000 shares, R-1,50,000 shares. Unmarked applications excluding firm underwriting shares totalled to 50,000 shares. You are required to:

1. Calculate the liability of underwriters.
2. Calculate the amount received to or paid to each one of the underwriters by the company in settlement. (20 Marks)

Q.4 Prepare a Revenue account in respect of Fire Insurance business from the following details of OM General Insurance Co. Ltd. for the year ended 31st March 2023: (20 Marks)

| Particulars | Rs. | Particulars | Rs. |
|------------------------------------|----------|-------------------------------|-----------|
| Claims Admitted but not paid | 2,20,000 | Premium received | 12,45,000 |
| Commission Paid | 2,10,000 | Reserve for unexpired risk | 4,70,000 |
| Commission on reinsurance Received | 52,000 | Additional Reserve | 95,000 |
| Printing | 50,000 | Claims Outstanding | 1,02,000 |
| Management Expenses | 50,000 | Directors fee | 32,000 |
| Salary | 40,000 | Premium Outstanding 1/4/2022 | 1,40,000 |
| Legal Expenses | 60,000 | Premium Outstanding 31/3/2023 | 1,50,000 |
| Advertisement | 80,000 | Claims Paid | 90,000 |

- The Company Maintains 50% of the Net Premium towards Reserve for unexpired Risk and 10 % as Additional Reserve.

Q.5 From the following details prepare Balance Sheet of West insurance Ltd carrying on Marine insurance business for the year ended 31/03/23 (20 Marks)

| Particulars | Amt. (Rs.) |
|--|------------|
| Share capital | 15,00,000 |
| Balance of P and L to Balance sheet | (2,64,380) |
| Unclaimed dividend | 2,400 |
| Sundry creditors | 12,600 |
| Agents balance (dr.) | 1,46,400 |
| Interest accrued but not due | 8,200 |
| Due to reinsurance | 60,000 |
| Furniture and fixtures at cost Rs 12,600 | 8,400 |
| Stock of stationery | 2,500 |
| Outstanding premium | 21,200 |
| Advance income tax paid | 62,000 |
| Debtors | 9,200 |
| Govt securities | 9,20,000 |
| Debentures of public bodies | 1,80,000 |
| Shares in limited co | 3,60,000 |
| State govt securities | 8,80,000 |
| Reserve for unexpired Risk | 12,40,000 |
| Cash and bank balance | 94,400 |

Additional Information

- Outstanding claims on 31/03/23 were Rs 1, 40, 000
- Depreciation on furniture to be provided @ 20% PA

Q.6 Answer any 4 of the following questions briefly:

(20 Marks)

- Types of Deposits
- Types of Underwriting
- Difference between Marked and Unmarked Applications
- Types of Advances
- Reserve for Unexpired Risk