

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics, Margao-Goa
SY B.Com, Semester-IV, Semester End Examination April 2023
Accounting for Service Organizations (UCOC110)

Duration: 2hrs**Max Marks: 80****Instructions:**

- Start each question on a fresh page.
- Figures to the right indicate maximum marks.
- Question no.1 is compulsory, answer any 3 questions from remaining.
- Working notes, if any, should form a part of the solution.

- From the following information you are required to prepare the Profit and loss A/c of the UCO Bank for the year ended 31st March 2023, under the provisions of the Act applicable thereto. (20 Marks)

	Rs		Rs
Interest on loans	12,95,000	Postage, Telegram and telephone	7,000
Interest on cash credit	11,15,000	Sundry charges	5,000
Discount on bills discounted	9,75,000	Advertisement and publicity	3,500
Interest on overdrafts	2,70,000	Directors fees	15,000
Interest on saving deposits	5,50,000	Printing and stationery	1,000
Interest on fixed deposits	13,85,000	Law charges	3,500
Commission, exchange and brokerage	41,000	Payment to employees	2,70,000
Rent, taxes and lighting	90,000	Locker rent	1,750
Auditor's fees	6,000	Transfer fees	3,500
Depreciation on bank property	25,000		

Additional information:

- Rebate on bills discounted Rs 2, 45,000
- Provide for bad debts of Rs 1,45,000

- The following particulars relate to Karnatak Bank Ltd as on 31st March 2023. Prepare a bank balance sheet as on that date as per the Banking Regulation Act. (20 Marks)

Paid up capital (Rs 10)	5,00,000
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
Premises	1,00,000
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 acceptance	3,00,000
Investments (at cost) in shares	1,90,000
Money at call and short notice	60,000

Additional information:

- The directors decided to take investments at market value of Rs 2,10,000.
- Bills for collection being bills receivables of Rs.80,000

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

Reserve for unexpired risk	1,60,000
Additional reserve	32,000
Estimated liability for claims admitted: on 01/04/22	30,000
on 31/03/23	40,000
Claims paid	3,60,000
Legal expenses	10,000
Reinsurance recoveries	30,000
Medical expenses	5,000
Communication Expenses	6,000
Bad debts	4,000
Premium recovered	4,80,000
Premium on reinsurance accepted	32,000
Premium on reinsurance ceded	42,000
Commission on direct business	45,000
Commission on reinsurance accepted	2,000
Commission on reinsurance ceded	3,000
Expenses of management	40,000
Interest & bank charges	4,000
Interest, dividend and rent	2,00,000
Profit on sale of investments	40,000

Additional Information:

The Company Maintains 50% of the Net Premium towards Reserve for unexpired Risk and 20 % as Additional Reserve.

Q.4 From the following details prepare Balance Sheet of Tech General Insurance Ltd carrying on Marine insurance business for the year ended 31/03/23 (20 Marks)

Particulars	Amt. (Rs.)
Share capital	15,00,000
Loan From Bank	50,000
Profit & Loss a/c	(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
Fixtures	8,400
Stock of stationery	2,500
Outstanding premium	21,200
Tax Paid in advance	62,000
Debtors	9,200
Fixed Deposit	9,20,000
MMC Bonds	1,80,000
Reliance Ltd Shares	3,60,000
Maharashtra Government Securities	8,80,000
Reserve for unexpired Risk	12,40,000
Cash balance	94,400
Bank Balance	50,000

Additional Information:

- Outstanding claims on 31/03/22 were Rs 1, 40, 000
- Depreciation on fixtures to be provided @ 20% PA

Q.5 A) Ambuja Cement company issued 15,00,000 equity shares of Rs 10 each at par. 30% of the issue was reserved for the promoters and balance was offered to the general public, the entire amount being asked for with the applications allotted to the underwriters in the ratio 3:1:1 respectively . The underwriters also agreed to firm underwriting of 30,000, 20,000 & 10,000 shares respectively. The underwriting commission was fixed at 2%. The marked applications were as follows: Anand - 5,50,000 shares, Vivek - 2,00,000 shares; Rohit - 1,50,000 shares. Unmarked applications excluding for shares underwritten firm were 50,000 shares.

You are required to:

- 1) Ascertain the number of shares taken up by each one of the underwriters.
- 2) Calculate the amount received from or paid to each one of the underwriters by the company in settlement.

(15 Marks)

Q.5 B) Explain the different types of underwriting

(05 Marks)

Q.6 From the following Trial Balance of Taj Hotel prepare a Trading and Profit and Loss Account for the year ended 31/03/2023 and a Balance sheet as on that date.

(20 Marks)

Particulars	Debit	Credit
Capital		4,00,000
Cash at bank	80,000	
Sales- Apartments		2,50,000
Sales - Meals		2,90,000
Purchases	2,25,000	
Purchase Returns		5,000
Bank interest		10,000
Bad debts Recovered		30,000
Discount earned		6,000
Sundry Creditors		24,000
Stock	20,000	
Kitchen Equipment's	80,000	
Printing & stationery	10,000	
Postage & telegrams	9,000	
Wages & salaries	1,00,000	
Gas & Electricity	19,000	
Repairs & renewals	5,000	
Restaurant furniture	45,000	
Advertising	10,000	
Utensils	30,000	
Sundry Debtors	40,000	
Drawings	30,000	
Bad debts	9,000	
Rates	3,000	
Land & building	3,00,000	
	10,15,000	10,15,000

Adjustments:

- 1) Provide for outstanding wages and salaries Rs 8,000
- 2) An amount of Rs 12,000 representing accommodation Rs 6,000 and Meals Rs 6,000 to be charged to the proprietor.
- 3) Depreciate buildings by 5% and kitchen equipment's by 10%.
- 4) Utensils were re-valued at Rs 25,000 and restaurant furniture at Rs 42,000..