

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics, Margao-Goa
SY B.Com, Semester IV, Semester End Examination June 2022
Accounting for Service Organisations (COC 110)

Duration: 2hrs

Max Marks: 80

Instructions:

- 1) Start each question on fresh page.
- 2) Figures to the right indicate maximum marks.
- 3) Q. 1 is compulsory, answer any 3 from the remaining 5 questions
- 4) Working Notes if any should form a part of the main answer

1. From the following information, you are required to prepare Profit and Loss A/c along with necessary schedules of United Bank Ltd. for the year ended 31-3-2022

(20)

Particulars	Amount (Rs.)
Interest and Discount	20,45,000
Income from investment	1,12,000
Interest on Balances with RBI	1,77,000
Commission, Exchange and Brokerage	7,12,000
Profit on sale of investments	1,22,000
Interest on Deposits	8,22,000
Interest to RBI	1,47,000
Payment to and provision for employees	8,55,000
Rent, taxes and lighting	1,79,000
Printing and stationery	2,12,000
Advertisement and publicity	98,000
Depreciation	98,000
Director's fees	2,12,000
Auditor's fees	1,10,000
Law charges	1,52,000
Postage, telegrams and telephones	62,000
Insurance	52,000
Repair & maintenance	66,000

Other Information:

- (i) 25% of profit is transferred to Statutory Reserves
- (ii) 5% of profit is transferred to Revenue Reserve

2. The following particulars relate to Bank of Goa Ltd. as on 31st March 2022 (20)

Particulars	Amount (in 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:

1. Secured borrowings amounted to Rs. 20,000.
 2. Advances of Rs. 10,00,000 were made to the public sector and Rs. 8,40,000 to banks.
 3. The directors decided to take investments at market value Rs. 2,10,000.
- Prepare a Balance sheet of Bank of Goa Ltd. as on 31st March 2022 as per Banking Regulation Act.

3. Jackson Ltd. came up with an issue of 35,00,000 equity shares of Rs. 10 each at par. 12,50,000 shares were issued to the promoters and the balance was offered to public which was underwritten by three underwriters Andre, Bennet and Shaw equally, with firm underwriting of 75,000 equity shares each. Subscriptions totalled 19,45,500 shares including marked forms which were:

Andre: 6,37,500 shares

Bennet: 6,75,000 shares

Shaw: 5,25,000 shares

All the underwriters had applied for the number of shares covered by firm underwriting. The amounts payable on application and allotment are Rs. 2.50 and Rs. 2 respectively. The agreed rate of commission was 5%.

You are required to prepare:

- a. Statement of Underwriters Liability
- b. Statement of Commission payable to underwriter

c. Statement of Calculation of amount due to / from underwriters

4. From the following information of Prepare the Balance Sheet of Bluestar Marine Insurance Co. Ltd. as at 31/03/22 (20)

Particulars	Amt.(Rs.)
Reserve for unexpired risk (1/4/21)	4,96,600
Additional reserve (1/04/21)	49,660
Profit after tax at the end of the current year	98,260
Profit transferred to the Balance Sheet	28,782
Premium less reinsurance	7,20,000
Miscellaneous receipts	74,000
Claims outstanding(1/04/21)	1,60,000
Claims paid	4,70,000
Commission	35,000
Expenses of management	54,000
General reserve	86,000
Investments	7,40,000
Audit fees	10,000
Directors fees	3,400
Interest on investments	1,06,000
Equity Share capital	5,00,000
Income tax deducted at source	24,800
Depreciation	5,000
General charges	12,000
Outstanding premium as on 31/03/2020	42,000
Deposit with controller of insurance	5,00,000
Furniture and fittings	52,000
Amount due by agents	21,000
Cash in deposit a/c	2,00,000
O/s dividend on investments	12,000
Amount due to reinsurance	80,000
Creditors	24,000
Cash at bank	16,000
Debtors	32,460

Additional Information:

- Outstanding claims due and intimated as on 31/03/22 amounted to Rs 60,000.
- Dividend at 8% has been proposed by the directors out of current year's profit.
- Transfer 30% of current year's profit to General Reserve.
- Additional reserve for unexpired risk is to be maintained at 10%
- Share capital consists of equity shares of Rs 100 each on which Rs 50 per share has been called and paid up.
- Provide Rs 24,800 for Income Tax.

5. From the following balances prepare Fire Insurance Revenue Account and Profit & Loss Account for the year ended 31st March 2022 of Laxmi General Insurance Co. Ltd.

Particulars	Amount
Commission on Reinsurance Accepted	186458
Commission on Direct Business	195172
Depreciation on Furniture	650
Depreciation on Library	148
Depreciation on Motor Car	6240
Loss on Sale of Motor Car	12074
General Managers Salary	24000
Telephone Expenses	5100
Postage and Telegram	5150
Rent	62500
Travelling Expenses	45600
Motor Expenses	45500
Miscellaneous Expenses	2875
Bad Debts	2206
Claims under policies less reinsurance paid during the year	152930
Total Estimated Liability in respect of outstanding claims as at 31st March	6264
Premium received less reinsurance	989980
Commission on reinsurance ceded	341208
Establishment Expenses	145500
Bonus	24000
Printing & Stationary	35550
Newspapers & Periodicals	14062
Legal Expenses	23400
Electricity Charges	16100
Provident Fund contribution	11875
Audit Fees	2500
Professional Tax	250
<u>Balance at the beginning of the year</u>	
Reserve for unexpired risks	366594
Additional Reserve	45824
Outstanding Claims at the beginning of the year	1198

You are required to provide for additional reserve at 10% of Net Premium

(20)

6. Answer ANY 4 of the following questions briefly:

(4x5=20)

- Reserve for Unexpired Risks
- Firm Underwriting
- Marked Applications v/s Unmarked Applications
- Non Performing Assets
- Benefits of Underwriting