**ST. JOSEPH’S COLLEGE (AUTONOMOUS), BENGALURU -27**

Registration Number:

Date & Session

**B. Com–V SEMESTER**

**SEMESTER EXAMINATION: OCTOBER 2023**

**(Examination conducted in November /December 2023)**

**BCDEA 5423 – Advanced Accounting I**

**(For current batch students only)**

**Time: 2 Hours Max Marks: 60**

**This paper contains \_\_5\_\_\_ printed pages and \_\_4\_\_\_ parts**

**PART-A**

**Answer any 5 questions. (5X3=15)**

1. List out the objectives of Basel committee on Banking Supervision (BCBS).
2. Give the meaning of forensic accounting? State any one area where forensic accounting can be used?
3. What is meant by Human resource accounting?
4. Give the meaning of clear profit in electricity companies. Mention any 2 sources of income for electricity companies.
5. What is meant by surrender in life insurance companies?
6. What is unexpired risk reserve? Mention the specified percentage of reserve to be maintained for marine and other insurance.

**Part – B**

1. Classify the following into the schedules of Life Insurance Companies.

|  |  |  |  |
| --- | --- | --- | --- |
| **Sl. No** | **Particulars** | **Schedule No** | **Heading** |
| 1 | Premium |  |  |
| 2 | Annuities paid |  |  |
| 3 | Consideration for annuities generated |  |  |
| 4 | Agent’s Balance (Cr.) |  |  |
| 5 | Freehold premises |  |  |
| 6 | Paid-up capital |  |  |
| 7 | Mortgage in India |  |  |
| 8 | Bonus paid |  |  |
| 9 | Investment fluctuation reserve |  |  |
| 10 | Commission |  |  |

1. Calculate the rebate on bills discounted from the following information

|  |  |  |  |
| --- | --- | --- | --- |
| **Date of the bill (2022)** | **Amount ₹** | **Term months** | **Discounted % p.a.** |
| Jan 10 | 1,00,000 | 4 | 6 |
| Feb 28 | 1,20,000 | 3 | 5 |
| Mar 15 | 80,000 | 4 | 7 |

1. Briefly explain the importance of Environmental accounting.

**Part – C**

**Answer any 3 questions. (3X5=15)**

1. Provide for the undermentioned depreciation, and prepare Revenue a/c of the Dynamo Electric Lighting Co. Ltd. from the following trial balance. Depreciation to be provided for on: Building @ 5%; Machinery @ 15%; Mains @ 20%; Transformers etc., @ 10%; Meters and Electrical instruments at 15%.

|  |  |  |  |
| --- | --- | --- | --- |
| **(₹) 31/Mar/2021** | **Particulars** | **Amt ₹** | **Amt ₹** |
|  | Nominal capital 50,000 shares of ₹100 each |  |  |
| 20,00,000 | Subscribed: 25000 shares of ₹ 100 each | - | 25,00,000 |
| 15,00,000 | 14% Debentures | - | 15,00,000 |
| 6,00,000 | Depreciation fund | - | 6,00,000 |
| - | Calls in arrears | 1,00,000 |  |
| 9,30,000 | Freehold land | 9,30,000 |  |
| 4,00,000 | Buildings | 5,00,000 |  |
| 6,00,000 | Machinery at station | 10,00,000 |  |
| 5,00,000 | Mains | 8,00,000 |  |
| 1,00,000 | Transformers etc | 2,00,000 |  |
| 50,000 | Meters | 1,50,000 |  |
| 30,000 | Electrical Instruments | 40,000 |  |
| 1,60,000 | General stores (cables, mains, meters, etc) | 2,35,000 |  |
| 25,000 | Office furniture | 25,000 |  |
|  | Coal & fuel | 1,90,000 |  |
|  | Oil waste & Engine Room stores | 75,000 |  |
|  | Coal, oil waste etc in stock | 10,000 |  |
|  | Wages at station | 3,00,000 |  |
|  | Repairs & Replacement | 50,000 |  |
|  | Rates & Taxes | 30,000 |  |
|  | Salaries | 1,50,000 |  |
|  | Director's fees | 1,00,000 |  |
|  | Printing, stationery, and Advertising | 60,000 |  |
|  | Law and incidental charges | 30,000 |  |
|  | Sale of meter | - | 9,75,000 |
|  | Sales by contract | - | 5,00,000 |
|  | Meter rents | - | 30,000 |
|  | Sundry Creditors | - | 1,00,000 |
|  | Sundry Debtors | 5,50,000 |  |
|  | Cash in hand and at Bank | 8,30,000 |  |
|  | Contingency Reserve | - | 1,50,000 |
|  |  | **63,55,000** | **63,55,000** |

1. From the following balances of ICICI General Insurance Company Ltd. as on 31st March 2022, prepare Revenue a/c and Profit and loss a/c

|  |  |
| --- | --- |
| **Particulars** | **₹** |
| **Provision for unexpired risk on 1-4-2021** | - |
| Fire | 2,50,000 |
| Marine | 8,20,000 |
| **Additional Reserve on 1-4-2021** | - |
| Fire | 50,000 |
| **Bad Debts:** | - |
| Fire | 5,000 |
| Marine | 12,000 |
| Auditor's fees | 1,200 |
| Director's fees | 5,000 |
| Share transfer fees | 800 |
| Bad Debts Recovered | 1,200 |
| **Claims paid:** | - |
| Fire | 1,90,000 |
| Marine | 3,80,000 |
| **Commission paid:** | - |
| Fire | 90,000 |
| Marine | 1,08,000 |
| Depreciation | 35,000 |
| Interest, Dividends, etc., received | 14,000 |
| Difference in exchanges (Cr) | 300 |
| Miscellaneous receipts | 5,000 |
| Profit on sale of land | 60,000 |
| **Premium received:** | - |
| Fire | 6,00,000 |
| Marine | 10,80,000 |
| **Management expenses:** | - |
| Fire | 1,45,000 |
| Marine | 4,00,000 |
| **Commission earned on re-insurance ceded:** | - |
| Fire | 30,000 |
| Marine | 60,000 |

1. Provision for unexpired risk to be kept at 50% of the premium received for Fire and at 100% for Marine departments.
2. The additional reserve in case of Fire Insurance is to be increased by 5% on net premium.
3. The following trial balance was extracted from the books of Do Good Life Insurance Co. Ltd. as on 31st March 2022.

|  |  |  |
| --- | --- | --- |
| **Particulars** | **Debit ₹** | **Credit ₹** |
| Paid-up capital 20,000 shares of ₹ 10 each | - | 200000 |
| Life Assurance fund as on 1st April 2021 | - | 5944600 |
| Bonus to policy holders | 63000 | - |
| Premium received | - | 323000 |
| Claims paid | 394000 | - |
| Commission paid | 18600 | - |
| Management expenses | 94600 | - |
| Mortgage in India | 984400 | - |
| Interest and dividends received | - | 225400 |
| Agent's Balance | 18600 | - |
| Freehold Premises | 80000 | - |
| Investments | 4610000 | - |
| Loan on company's policies | 347200 | - |
| Cash on deposits | 54000 | - |
| Cash on hand and on current account | 14600 | - |
| Surrenders | 14000 | - |
|  | **6693000** | **6693000** |

You are required to prepare the Revenue a/c and Balance sheet for the year 31-Mar-2022 after taking into consideration the following information:

1. Claims admitted but not paid ₹ 18,600
2. Management expenses due ₹ 400
3. Interest accrued ₹ 38,600
4. Premium outstanding ₹ 24,000

**Part D**

**Answer the following (3X5=15)**

1. From the following information, Prepare Profit and loss a/c and Balance sheet of Union Bank Ltd. according to the Banking companies Regulation Act for the period 31/Mar/2021.

|  |  |  |
| --- | --- | --- |
| **Particulars** | **Dr ₹** | **Cr ₹** |
| 1,00,000 Shares of ₹ 100 each | - | 1,00,00,000 |
| Cash on hand | 30,00,000 | - |
| Statutory Reserve Fund | - | 50,00,000 |
| Deposits | - | 1,50,00,000 |
| Cash at Bank | 50,00,000 | - |
| Loan from Axis Bank | - | 70,00,000 |
| Money and call at short notice | 30,00,000 | - |
| Pension fund | - | 5,00,000 |
| Govt. Securities | 80,00,000 | - |
| Loan and Cash credits | 1,83,00,000 | - |
| Bills Discounted | 15,00,000 | - |
| Commission | 50,000 | 3,50,000 |
| Interest and discount | - | 71,50,000 |
| Profit on sale of investment | - | 1,00,000 |
| Interest on deposits | 15,50,000 | - |
| Premises less depreciation | 30,00,000 | - |
| Furniture less depreciation | 6,00,000 | - |
| Director's fees | 1,00,000 | - |
| Audit fees | 1,00,000 | - |
| Salary and allowance | 6,00,000 | - |
| Depreciation on property | 1,50,000 | - |
| Printing and Stationery | 60,000 | - |
| Postage and Telegram | 60,000 | - |
| Other Expenses | 30,000 | - |
|  | **4,51,00,000** | **4,51,00,000** |

**Additional information**

1. Provide ₹ 2,50,000 for doubtful debts.
2. Rebate on bills discounted on 31/Mar/2021 is ₹ 24,660.
3. A claim of ₹ 45,000 for bonus to workmen is pending to award.
4. Make provision for income-tax ₹ 3,00,000.