

B.Com. DEGREE (C.B.C.S.S.) EXAMINATION, APRIL 2019**Fifth Semester****Core Course 14—SPECIAL ACCOUNTING**

[Common for Model I, Model II and U.G.C. Sponsored B.Com. Degree Programmes]

(2013—2016 Admissions)

Time : Three Hours

Maximum Marks : 80

Part A

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

1. What is SLR ?
2. Distinguish between Savings Bank Account and Current Account.
3. Define Overdraft.
4. Write a note on Endowment Life Policy.
5. What do you mean claims intimated but not admitted ?
6. What is meant by indemnity period ?
7. Define dislocation period.
8. What is ~~ex-interest~~ quotation ?
9. Define Bonus Shares.
10. Point out **any two** circumstances under which a firm is dissolved.

(10 × 1 = 10)

Part B

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

11. Explain how Partner's accounts are normally settled in the case of the dissolution of a firm.
12. Write a brief note on "Piecemeal distribution and settlement" of accounts.
13. What is the slip system of posting ?
14. Write a short note on money at call and short notice.
15. Write a short note 'Annuities'.
16. How is the profit of a life insurance company ascertained ?

Turn over

17. What is average clause ?
18. What is meant by Abnormal goods ?
19. What are non-Government securities ?
20. Define Equity Shares.
21. On 1st February 2005, A purchased from B 25, 7 % debentures of Rs. 100 each at Rs. 140 each cum-interest. Interest is payable on these debentures on 30th June and 31st December each year. Pass entries in the books of B.
22. On 1st March 2016 a bill of Rs. 4,00,000 is discounted with a bank @ 16 % p.a. The bill matures on 31st May 2015. Pass necessary journal entries in the books of bank assuming that the bill is collected on the due date. Accounting year closed on 31st March every year.

(8 × 2 = 16)

Part C

Answer any six questions.
Each question carries 4 marks.

23. Give the performa of a Bank Balance Sheet.
24. Explain the main features of the business of insurance company.
25. Explain how will accounts of a firm under dissolution be settled when one of the partners is insolvent.
26. Explain the types of loss for claim.
27. Define Investment. Specify the merits investing in securities.
28. Calculate Insurance claim from the following facts assuming that the insurers met their liability under the policy on 'average basis'. A traders stock valued at Rs. 1,30,000 was totally destroyed. It was insured for Rs. 80,000 subject to average clause. The balance of stock left after fire appeared in the books at Rs. 35,000.
29. Mr. Gopal purchased 2,000 5 % bonds of Rs. 100 each on 1st January at Rs. 99. On 1st July 3/5, thereof are sold at Rs. 99.50. Interest is paid half yearly on 1st January and 1st July. Show investment account from January 1 to December 31 assuming Gopal's accounting year closes on the latter date.
30. On 31st March 2015, the books of Han Bank had the following accounts balances.
Rebate on bills discounted (1-4-2014) 2,30,000.
Discount received Rs. 48,00,000
On closing the books, it is found that the discount received includes unexpired discount to be carried to the next year Rs. 2,90,000.
Show the amount to be credited to Profit and Loss Account and discount earned for the year 2014-2015. Also give journal entries required to adjust the above mentioned amounts.

31. From the following particulars calculate the amount of claim to be debited in the Revenue account :-
Claims paid during the year Rs. 32,00,000. Claims outstanding at the beginning of the year Rs. 1,60,000. Re-insurance claim Rs. 1,80,000. Expenses on claim Rs. 30,000. Claim intimated and accepted but not paid at the end of the year Rs. 1,20,000. Claim intimated but not accepted at the end of the year Rs. 90,000.

(6 × 4 = 24)

Part D

Answer any two questions.
Each question carries 15 marks.

32. What is investment account ? Explain the different methods of preparing investment account which of the method is best ?
33. Write a short note on : (a) Life Assurance Fund ; (b) Surrenders ; (c) Bonus on reduction of premium.
34. From the following Trial Balance of National Bank, prepare a Balance Sheets in the prescribed form :

Particulars	Rs.
Share Capital (40,000 shares of Rs. 10)	4,00,000
Premises	5,00,000
Rebate on Bills	5,000
Traveller's Cheque	1,00,000
Deposits	56,00,000
Money at call	8,00,000
Profit and Loss (Cr)	45,000
Investments	7,00,000
Bills Purchased	15,00,000
Acceptance for customers	6,00,000
Loans	21,00,000
Reserves	3,00,000
Cash in hand	1,00,000
Cash at Bank	8,00,000
Pension Fund	50,000

Turn over

35. A, B and C are in partnership, sharing profits 3 : 2 : 1 respectively. Their state of affairs at the dissolution date was as under :

<i>Liabilities</i>	Rs.	<i>Assets</i>	Rs.
Creditors	3,875	Cash	986
A's Loan account	250	Debtors	3,056
Capital Accounts :		Stock	1,844
A	1,520	Furniture	720
B	1,120	C's Capital	159
	6,765		6,765

The assets other than cash realised Rs. 4,844 and the expenses were Rs. 52. A and B are solvent but C is unable to bring anything. Prepare realisation account, cash account and the capital account of the partners according to the rule laid down in *Garner vs. Murray*.

(2 × 15 = 30)