



MAR IVANIOS COLLEGE (AUTONOMOUS)
THIRUVANANTHAPURAM

Reg. No. :.....

Name :.....

Fifth Semester B.Com. Degree Examination, November 2016

First Degree Programme under CBCSS

Core Course: Commerce – XIII

AUCO543: Accounting for Specialised Institutions

Time: 3 Hours

Max. Marks: 80

SECTION – A

Answer ALL questions in one or two sentences.

1. What do you mean by clear profit ?
2. Explain Tariffs and dividend control reserve.
3. What is reversionary bonus ?
4. What are the financial statements prepared by general insurance as per the regulations issued by IRDA ?
5. State the main role of Public Accounts Committee.
6. What is contango charge ?
7. Define Local Self Governments.
8. What is non banking asset ?
9. Expand NPA in Banking Companies.
10. Explain Double insurance.

(10 × 1 = 10 Marks)

SECTION – B

Answer any EIGHT questions, each in a short paragraph not exceeding 50 words.

11. How do we calculate reasonable return ?
12. What are the purposes of maintaining contingency reserve by electricity companies ?

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13. How will you treat the discount and premium on issue of shares under double account system ?
14. What do you mean by valuation balance sheet ?
15. Explain reserve for unexpired risk.
16. What are the restrictions on declaring dividend by an electricity company ?
17. What are the three main divisions of Government accounts ?
18. Explain forward delivery contract.
19. What are the features of accounts prepared by local bodies ?
20. Explain statutory reserve.
21. List out the advantages of slip system of posting followed by commercial banks.
22. What do you mean by contingent liabilities ?

(8 × 2 = 16 Marks)

SECTION – C

Answer any SIX questions, each in a paragraph not exceeding 120 words.

23. What are the features of double account system.
24. From the following particulars of the Life Insurance Company for the year ended 31st March 2016, prepare valuation balance sheet as on 31st March, 2016 and distribution statement.
Life assurance fund as on 31st March 2016 Rs. 3800,000,
Net Liability as per valuation Rs. 3000,000
Interim bonus paid Rs. 500,000.
25. The valuation balance sheet of an insurance company carrying life insurance business showed a surplus of Rs. 5,50,000 as on 31st March 2016. The following additional information has been given
 - a). The company paid an interim bonus of Rs. 50,000 to policy holders during the year.
 - b). A loss of Rs. 25,000 on investment is to be written off.
 - c). A provision of taxation for Rs. 2,00,000 has to be made
 - d). Policy holders are entitled to get 95% of the surplus remaining after taxation.You are required to determine the amount due to the policy holders and pass necessary journal entries in the books of the company.

26. Urban electric company laid down a Main at a cost of Rs. 10,00,000. After a few years it laid down an Auxiliary Main for $1/5^{\text{th}}$ length of the old Main at a cost of Rs. 3,00,000 and also replaced the rest of the length of the old main at a cost of Rs. 12,00,000. The cost of materials and labour having gone up by 30%. Sale of old materials realized Rs. 16,000. Old material worth Rs. 20,000 was further used in renewal and those valued at Rs. 10,000 were further used in the construction of Auxiliary Main. Give journal entries recording the above transaction. Also indicate the apportionment of the above expenses between capital and revenue.
27. Sadanaraj has the following transactions with Capma stock securities Ltd. for the month of October 2016
- Oct. 5 Buys 600 Kitex shares @ Rs. 500 each
 - Oct. 12 Buys 6000 AVT shares @ Rs. 20 each
 - Oct. 19 Sells 500 Kitex shares @ Rs. 550 each
 - Oct. 26 Sells 5000 AVT shares @ Rs. 22 each
 - Oct. 28 Sells 300 Kitex shares @ Rs. 520 each
- Commission is 1% of the purchase and selling price. Contango charges is 2.5% of nominal value of shares carried and backwardation 1.5% of shares not delivered. Nominal value is 10 per share. The market value of Kitex shares is Rs. 520 and AVT is Rs. 23 as on the date of settlement. Accounts are settled at the end of every month
28. From the following information find out the amount of provisions to be shown in the Profit and Loss Account of Me Bank.
- Assets – Standard Rs. 5,00,000, Sub standard Rs. 4,00,000 Loss assets – Rs. 1,00,000
- Doubtful: for one year Rs. 80,000, for three years Rs. 60,000 & for more than three years Rs. 20,000
29. Explain the circumstances of treating an asset as NPA by banks.
30. Explain the major sources of income of Local Self Governments in Kerala
31. What are the books of accounts required to be maintained by the stock brokers as per SEBI rules 1992 ?

(6 × 4 = 24 Marks)

SECTION – D

Answer any **TWO** questions, not exceeding four pages.

32. Explain the duties and powers of C&AG and system of financial administration in India.
33. From the following figures relating to Meza Life Insurance Co Ltd. Prepare its revenue a/c for the year ended 31st march, 2016 and a balance sheet as on that date

(Rs in '000s)

Share capital (2Crores shares of Rs. 25 each, Rs. 20 Paid up)	4,00,000	Life assurance fund (1.4.2015)	4,80,00,000
		Investment	5,10,00,000
Freehold Property	25,00,000	Outstanding premium (net)	6,03,200
Investment fund (1.4.2015)	50,20,000	Claims paid less reinsurance	45,00,000
Unpaid dividends	51,790	Expense of Management	15,00,426
Outstanding interest	5,90,000	Commission paid	1,00,000
Loan on company's policies	51,00,000	Claims admitted but not paid	30,00,00
Annuities	30,000	Surrenders	2,58,950
Interest, dividend & Rent received	32,00,336	Consideration for annuities granted	50,500
Income tax on interest and dividends	1,20,000	Bonus in reduction of premium	4000
Interest accrued	3,17,000	Income tax	280,148
Premium received in advance	1,00,00	Agents balance outstanding	1,45,904
Furniture and fittings	90,500	Sundry creditors	44,874
Cash at bank	3,46,480	Stamps in hand	7,322
Premium less reinsurance	75,00,000	Transfer and other fee	6.430

34. From the following particulars prepare the balance sheet of Apke Bank Ltd as on 31st march 2016

Debit balances		Credit balances	
Money at call	2,00,000	Share capital	10,00,000
Bills discounted	9,00,000	Reserve fund	16,00,000
Investments at cost		Fixed deposits	40,00,000
Central govt. securities	1,00,00,000	Savings deposits	60,00,000
Debentures	4,00,000	Current a/c	2,20,00,000

Bullion	24,00,000	Reserve for building	10,00,000
Premises at cost	1,00,00,000	Depreciation fund	80,00,000
Addition to premises	20,00,000	Unclaimed dividend	24,000
Cash with RBI	34,00,000	Unexpired discount	50,000
Cash with SBI	12,00,000	Borrowings from banks	2,50,000
Overdraft	1,00,00,000	Bills payable	20,00,000
Branch adjustment	57,94,000	P & L a/c (2,10,000 for the year)	4,10,000
Silver	2,00,000	Dividend fluctuation fund	6,00,000
Advance payment of tax	1,10,000		
Interest accrued on investment	2,60,000		
Non banking asset acquired	70,000		
Total	4,69,34,000	Total	4,69,34,000

The bank had bills for collection for its constituents Rs. 3,00,000 and acceptance Rs. 4,00,000, there was a claims Rs. 2,00,000 against bank but not acknowledged as debt. The liability for bills rediscounted was Rs. 32,000. Liability for forward exchange contract was Rs. 20,00,000. The Director decided to reserve Rs. 2,000 for unexpired discount and transfer reserve for building to depreciation fund.

35. From the following particulars available in respect of PPP electric supply company Ltd, as at 31st March 2016, work out the capital base, reasonable return, surplus and give the calculation of disposal of surplus if any;

Rs. In lakhs

Fixed assets	6,000
Accumulated depreciation	2,000
Cost of license	100
Depreciation reserve fund investment	2,000
Loans advanced by the State Electricity Board	500
Debentures	1,000
Tariff and dividends control reserve	300
Security deposits received from consumers	300
Monthly average of the month end balances of stores, materials, supplies, cash and bank	300
Clear profit for the year	600

Other information: (i). All statutory investment stand at the current figures since April 1, 2015 and earn a return of 10% p.a.

(ii). The applicable RBI rate is 9%

(2 × 15 = 30 Marks)
