

SARASWAT VIDYALAYA'S
SRIDORA CACULO COLLEGE OF COMMERCE & MANAGEMENT STUDIES
B. COM FOURTH SEMESTER SPECIAL REPEAT EXAMINATION, MAY/JUNE, 2019
W.E.F 2018-19 (CBCS)

SUB: ACCOUNTING FOR SERVICE ORGANISATIONS

TOTAL MARKS: 80

DURATION: 2 HOURS

- Instructions:** 1) Question No. 1 is compulsory.
2) Answer ANY 3 from question No. 2 to 6
3) Figures to the **right** indicate **full marks**
4) Start each question on a fresh page

Q. 1) From the following balances extracted from the books of Saraswati Bank Ltd. as on 31/3/2018, prepare profit and loss account with necessary schedules (20)

Particulars	Amount	Particulars	Amount
Interest on loans	3,10,000	Rent and taxes	8,000
Interest on cash credits	2,90,000	Salaries	65,000
Interest on overdrafts	2,50,000	Printing and stationery	17,000
Discount on bills discounted	1,70,000	Repairs and maintenance	14,000
Commission	50,000	Depreciation	21,000
Profit on sale of investments	60,000	Advertisement	6,000
Other income	18,000	Directors fees and allowance	9,000
Interest on fixed deposits	2,60,000	Audit fees	6,000
Interest on saving deposits	80,000	Law charges	8,000
Interest on current deposits	30,000	Postage	11,000
Interest on borrowings from other banks	10,000	Other expenses	4,000
		Profit brought forward	1,20,000

Adjustments:

- Provision for bad and doubtful debts is 19,000 and provision for taxation 2,32,000.
- The bank maintains statutory reserve of 25% of profit every year.

Q. 2 A) From the following trail balance of Welcome Restaurant, prepare Trading A/c, Profit and Loss A/c for the year ended 31st March 2018 and balance sheet as on that date after taking into consideration additional information. (15)

Particulars	Debit (Rs.)	Credit (Rs.)
Capital		20,000
Debtors	5,400	
Restaurant furniture	7,000	
Wages	10,000	
Drawings	1,800	
Creditors		2,800
Purchases	19,000	

Opening stock	4,000	
Cash at bank	3,000	
Rent & taxes	900	
Postage	300	
Advertising	400	
Sales		29,000
TOTAL	51,800	51,800

Additional information:

1. Closing stock was valued at Rs. 1,200
2. Depreciate restaurant furniture at 10%
3. Outstanding rent and taxes Rs. 100
4. Prepaid wages Rs. 400

Q. 2 B) Write a note on visitors ledger maintained by hotels (5)

Q. 3) From the following information of Kigfish Marine Insurance Co. Ltd., prepare the Revenue account with necessary schedules for the year ended 31st March, 2018. (20)

Particulars	Amount
Premium received	18,75,000
Premium outstanding on 31 st March 2018	1,25,000
Premium outstanding on 1 st April 2017	2,28,000
Claims paid	10,54,000
Claims outstanding as on 31 st March, 2018	3,35,000
Claims outstanding as on 1 st April 2017	1,80,000

Adjustments:

1. Expenses incurred:

Rent, rates and taxes	1,75,000
Printing and stationery	1,00,000
Repairs	50,000
Legal charges	50,000
2. Interest and dividend (gross) 1,65,000
3. Commission paid 1,94,000

The company maintains 100% of the net premium towards reserve for unexpired risk and 10% of the net premium as additional reserve.

Opening balance of provision for unexpired risk Rs. 17,00,000

Opening balance of additional reserve Rs. 1,50,000

Q. 4 A) Export Ltd, issued 20,000 equity shares of Rs. 10 each. The whole issue was fully underwritten by the underwriters as A- 12,000, B- 5,000, C- 3,000. The underwriters made applications for firm underwriting as A- 1,600 shares, B- 600 shares and C- 2,000 shares. The total subscriptions including marked applications were for 10,000 shares. The marked applications were as under: A- 2,000 shares, B- 4,000 shares and C- 1,000 shares. Underwriting commission is paid at 2%

Prepare:

1. Statement showing liability of underwriters
2. Statement showing amount due to/due from underwriters (16)

Q. 4 B) Explain the different types of underwriting

(4)

Q. 5 A) From the following balances, prepare balance sheet of Maharashtra bank Ltd. for the year ended 31st March, 2018.

(16)

Particulars	Amount	Particulars	Amount
Equity share capital	10,00,000	Cash in hand	7,00,000
Statutory reserve	7,00,000	Balance with RBI	12,70,000
Capital Reserve	2,00,000	Money at call	22,50,000
Profit and loss balance	7,00,000	Investment in shares	22,50,000
Demand deposits	12,00,000	Investment in Govt. Securities	14,00,000
Term deposits	24,00,000	Cash credits	17,50,000
Borrowings from RBI	12,00,000	Term loans	25,00,000
Borrowings from other banks	52,70,000	Overdrafts	15,00,000
Bills payable	22,00,000	Premises	12,50,000

Additional information:

1. Contingent liabilities Rs. 4,80,000

Q. 5 B) Explain any 4 types of deposits

(4)

Q. 6 A) Arvind fire insurance Ltd. provides following information for preparation of revenue account and profit and loss account for the year ended 31st March, 2018.

(15)

Particulars	Amount	Particulars	Amount
Net premium earned	5,92,000	Income from investments	10,000
Change in provision for unexpired risks	85,200	Other income	5,000
Net claims incurred	30,376	Provisions	3,000
Commission paid	38,000	Other expenses	2,500
Operating expenses	78,000	Proposed dividend	18,500
		Profit brought forward	10,000

Q. 6 B) Write a note on types of insurance

(5)