

Saraswat Education Society's
Sridora Caculo College of Commerce and Management Studies
Khorlim, Mapusa – Goa

S.Y.B.Com. Fourth Semester End Examination – April 2023 (CBCS)

Duration: 2 hours

Accounting for Service Organisations

Maximum Marks: 80

Instructions: 1. Question No. 1 is compulsory.

2. Answer ANY 3 from questions no. Question No. 2 to 6.

*3. Figures to the right indicate **maximum marks** allotted to question/sub-question.*

4. Start each main question on fresh page.

Q.1) From the following Trial Balance, as on 31st March 2022, prepare Profit & Loss Account and Balance Sheet as on that date of Roshan Ltd. (₹ in lakhs). **(20 marks)**

Particulars	Dr.	Particulars	Cr.
Cash balance	150	Interest on advances	400
Balance with other banks	150	Interest from investments	100
Cash with RBI	100	Commission	100
Investments in Govt. Securities	100	Profit on sale of investments	50
Other Approved Securities	50	Share capital	1050
Bills purchased and discounted	125	Statutory reserves	400
Cash credits, Overdrafts and Demand Loans	700	Profit & Loss Account Balance	325
Term Loans	650	Fixed deposits	150
Premises (Net)	675	Savings deposits	150
Interest accrued	25	Current accounts	50
Interest Paid	185	Borrowings from other banks	100
Salary	50	Borrowing from RBI	100
Printing and stationery	30	Bills payable (Net)	25
Repairs	10		
	3000		3000

Additional Information:-

1. Provide for contingencies Rs. 20 lakhs.
2. Transfer 25% of profit to statutory reserve.
3. Transfer Rs. 10 lakhs to other reserve.

Q.2A. Mr. Antonio presents the following trial Balance from the books of his restaurant at 31st March 2022. You are required to prepare Trading and Profit and Loss account for the year ended 31st March 2022 and Balance Sheet as on that date. **(15 marks)**

Particulars	Dr.	Particulars	Cr.
Debtors	7,000	Capital	56,000
Furniture	6,000	Purchase returns	1,000
Postage	1,000	Provision for bad debts	1,000
Purchases	68,000	Creditors	30,000
Wages	30,000	Sales	1,40,000
Opening Stock	3,000		
Cash at Bank	10,000		
Premises	1,00,000		
Bad debts	3,000		
	2,28,000		2,28,000

Additional Information:-

- Closing stock on 31st March 2022 was ₹5,000.
- An amount of ₹3,000 is charged to staff representing free meals.
- Provide for outstanding wages of ₹1,000.

Q.2B. Explain the various types of General Insurance that exist in India.

(5 marks)

Q.3A. From the following, prepare Revenue Account of Highway Fire Insurance Co. Ltd. for the year ended 31st March 2019.

(12 marks)

Particulars	Amt (Rs.)	Particulars	Amt (Rs.)
Claim admitted but not paid (on 31/3/2022)	2,20,000	Premium received less reinsurance	15,50,000
Commission paid	2,10,000	Reserve for unexpired risks on 1/4/2021	5,00,000
Commission on reinsurance ceded	50,000	Additional reserve on 1/4/2021	1,00,000
Share transfer fee	20,000	Claims outstanding on 1/4/2021	1,00,000
Management expenses	3,10,000	Dividend on share capital	70,000
Bad debts	10,000	Premium outstanding on 1/4/2021	1,40,000
Claims paid	1,00,000	Premium outstanding on 31/3/2022	1,50,000
Profit and loss appropriation	40,000		

The company maintains 50% of the net premium towards reserve for unexpired risks and 10% of the net premium as additional reserve.

Q.3B. Explain the two methods of maintaining Visitor's Ledger.

(8 marks)

Q.4A. Explain the different types of underwriting.

(8 marks)

Q.4B. A joint stock company issued 15,00,000 equity shares of Rs. 10 each. 30% of the issue was reserved for the promoters and the balance was offered to the general public, the entire amount being asked for with the underwriters.

P, Q, and R agreed to undertake the public issue in the ratio 3:1:1 respectively, and also agreed to firm underwriting of 30,000, 20,000 and 10,000 shares respectively. The underwriting commission was fixed at 2%. The marked applications were as follows: P- 5,50,000 shares, Q- 2,00,000 shares and R-1,50,000 shares. Unmarked applications excluding firm underwriting totaled 50,000 shares.

You are required to:-

- Ascertain the number of shares taken up by each of the underwriters.
- Calculate the amount received from and paid to each one of the underwriters by the company in settlement.

(12 marks)

Q.5A. From the following information, prepare Profit & Loss account of Global Bank for the year ended on 31st March 2022. (Amt. in '000) (10 marks)

Particulars	Amount	Particulars	Amount
Interest on loans	5,000	Interest on overdrafts	2,000
Interest on fixed deposits	3,000	Director's fees	100
Rebate on bills discounted	500	Auditors fees	50
Commission	100	Interest on savings bank deposits	700
Payment to employees	500	Postage	200
Discount on bills discounted (Gross)	2,000	Printing & Stationery	300
Interest on cash credits	2,000	Other charges	100
Rent	200		

Additional Information:

a. Provide for contingencies ₹ 1,00,000.

Q.5B. Explain the following:-

(10 marks)

- Different types of Deposits.
- Different types of Advances.

Q.6A. Explain the different types of Financial Statements applicable to Fire Insurance Companies.

(5 marks)

Q.6B. Gold Insurances Ltd. furnishes the following information for preparation of Revenue Account and Profit & Loss Account for Fire Insurance Business for the year ended 31st March 2022. (15 marks)

Particulars	Amount	Particulars	Amount
Claims admitted but not paid	50,000	Profit & Loss Appropriation	20,000
Commission Paid	40,000	Premium received less Re-insurance	6,00,000
Commission on Reinsurance ceded received	10,000	Opening reserve for unexpired risk	2,00,000
Share transfer fee	7,000	Opening additional reserve	40,000
Expense of management	80,000	Opening claims outstanding	30,000
Bad debts	2,000	Dividend on share capital	10,000
Claims paid	10,000		

The following information is also to be considered:-

- Premium outstanding at the end of the year amounted to ₹20,000.
- It is the policy of the company to maintain 50% of premiums towards reserve for unexpired risks.
- Additional reserve at 10% of net premiums to be maintained.