

SARASWAT EDUCATION SOCIETY'S
SRIDORA CACULO COLLEGE OF COMMERCE & MANAGEMENT STUDIES
KHORLIM, MAPUSA – GOA
S.Y.B.COM – FOURTH SEMESTER END EXAMINATION – APRIL 2024

Subject: Accounting for Service Organisations (CC 14) Max. Marks: 80
CBCS (w. e. f. 2018-19) Duration: 2 Hours

- Instructions: - 1. Question 1 is compulsory.
2. Attempt any 3 questions from Question 2 to Question 6.
3. Figures to the right in brackets indicate maximum marks

1. Following is the trial balance of United Bank of India, prepare the Profit and Loss Account as of 31st March 2024 (20)

Particulars	Debit Amount (in Rs)	Particulars	Credit Amount (in Rs)
Cash Balance	3,55,000	Share Capital (15,000 shares of Rs. 10 each fully paid up)	1,50,000
Interest Paid on		Statutory Reserve	2,00,000
Fixed Deposits	15,000	Fixed Deposits	1,40,000
Savings Deposits	10,000	Savings Deposits	2,50,000
Current Deposits	12,000	Current Deposits	1,50,000
Salaries	60,000	Interest and Discount earned	1,50,000
Insurance and Taxes	8,000	Commission and Brokerage	82,000
Depreciation	2,000		
Investments in Government bonds	1,20,000		
Loans and Overdraft	2,50,000		
Bills Discounted and purchased	90,000		
Premises and Buildings	2,00,000		
Total	11,22,000	Total	11,22,000

The following additional information is provided:

- Create a reserve for bad and doubtful debts of Rs. 5,000
- Rebate on bills discounted amounted to Rs. 12,000.
- The bank had acceptances on behalf of the customers of Rs. 40,000.
- You are required to prepare the Profit and loss account and the Balance sheet of United Bank of India for the year ending 31st March 2024.

2. From the following information provided, prepare the revenue account and the Profit and Loss account for No Risk Insurance Company Ltd., as on 32st March 2024. (20)

Particulars	Amount (in Rs.)
Claims paid	2,00,000
Reserve for unexpired risk (1/4/2023)	4,00,000
Premium received	9,00,000
Audit fees	1,60,000
Interest and Dividend received	2,00,000
Outstanding claims (1/4/2023)	56,000
Commission paid to agents	80,000
Salaries	2,00,000
Profit and Loss account (Credit)	50,000
Re-insurance premium ceded	56,000

Following additional information is provided

- Premium of Rs. 50,000 was outstanding on 31st, March 2024.
- Claims outstanding on 31st March 2024, amounted to Rs. 40,000.
- Reserve for unexpired risk is maintained @ 50%.
- Audit fees outstanding amounted to Rs. 20,000.

3. A. Following is the trial balance of United Bank of India, prepare the Profit and Loss Account as on 31st March 2024 (10)

Particulars	Debit Amount (in Rs)	Credit Amount (in Rs)
Interest on loans		6,00,000
Interest on Fixed deposits	5,50,000	
Interest on savings deposits	1,74,000	
Commission		20,000
Exchange and Brokerage		40,000
Discount on Bills		3,00,000
Salaries	3,00,000	
Interest on loans		2,70,000
Printing and stationery	1,00,000	
Rent and Taxes	50,000	
Audit fees	36,000	
Miscellaneous expenses	20,000	
Total	12,30,000	12,30,000

Additional Information

- Salaries outstanding Rs. 10,000.

- b. Make a provision for income tax amounting to Rs. 15,000.
c. Make a provision of bad and doubtful debts of Rs. 10,000.
3. B. Explain the different types of deposits, and advances, offered by the bank to its customers. (10)
4. From the following trial balance of Sunrise Hotel Ltd., prepare a trading account, profit and loss account for the year ended 31st March 2024 and the balance sheet as on that date (20)

Particulars	Debit Amount(Rs)	Credit Amount(Rs)
Opening stock	15,000	
Purchases	1,10,900	
Income from visitor guests		3,85,000
Fuel and light	9,000	
Rent	15,150	
Advertisement expenses	6,800	
Printing and stationery	4,100	
Wages and salaries	1,02,000	
Carriage	3,100	
Bad debts	2,150	
Furniture & Fittings	75,600	
Chinaware, Cutlery and Linen	15,600	
Drawings	14,500	
Capital		1,45,000
Visitor's ledger balances	14,800	
Creditors		12,500
Premises	1,10,000	
Cash at bank	44,200	
Provision for bad and doubtful debts		400
Total	542,900	5,42,900

Additional Information

- a. Stock on 31st March 2024, was valued at Rs. 12,260.
b. Depreciation on assets is to be provided as follows:
Premises @ 10%
Furniture @ 15%
Chinaware, cutlery, and linen are to be revalued at Rs. 10,500
c. Provision for bad debts to be made at Rs. 500.
d. Make a provision for a discount on creditors @ 5%.
e. Rs. 1,000 advertising expenditure was outstanding

5. Profitable Ltd. Issued 20, 00,000 equity shares of Rs. 10 each at par. The amounts (20)
payable on application were Rs. 2 on application and Rs. 3 on the allotment. 5, 00,000 shares were
issued to the promoters and the balance was underwritten by 3 underwriters, P, Q, and R equally.
The underwriting agreement had a provision of firm underwriting covering 40,000 shares each.
The company received applications for 12, 80,000 shares excluding the ones for firm underwriting.
Marked applications were as follows: P- 4,20,000 shares, Q- 4,50,000 shares and R- 3,40,000
shares.

The underwriting commission was agreed at 5%. Calculate the total liability of the underwriters
by assuming that the benefit of firm underwriting is given. Also pass the journal entries relevant
to the issue and underwriting provisions in the books of Profitable Ltd, for the year ended on 31st
March 2024.

6. Write short notes on ANY 4 from the following

(5*4=20)

- Visitors' ledger.
- Statutory reserve for banking companies
- Re-insurance
- Provision for unexpired risk,
- Different types of underwriting.

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