SARASWAT EDUCATION SOCIETY'S
SRIDORA CACULO COLLEGE OF COMMERCE & MANAGEMENT STUDIES
KHORLIM, MAPUSA, GOA

B.Com - General (NEP 20, w. e. f. 2024-25)
S.Y. B.COM. SEMESTER END ASSESSMENT, OCTOBER, 2026

THEORY - REGULAR ODD SEMESTER III EXAMINATION

Subject:- SPECIALIZED ACCOUNTING (MINOR CFA-211) M.Marks:- 80
Credits : - 04 Duration:- 2 hrs

Instructions:- 1. Number of printed pages is 3.
2. Attempt all the questions.
3. Internal choice is given Question No. 2 to 5.
4. Show all working notes clearly as part of your answer.
5. Use of non-programmable simple calculators is permitted.

Q.1 Answer the following: (8 × 2 Marks = 16 Marks) (BL1)

a) Describe 'Salvage Value' in fire insurance loss of stock claims.
b) State the meaning of 'Primage' in Voyage Accounts.
c) What are 'Minimum Lease Payments' (MLP) from the lessee's standpoint under AS 19?
d) What is meant by 'Minimum Rent' or 'Dead Rent' in Royalty Accounts?
e) Explain the application and purpose of the 'Average Clause' in a Loss of Stock policy.
f) State the meaning of 'Passage Money' in shipping accounting.
g) Distinguish between Guaranteed Residual Value (GRV) and Unguaranteed Residual Value (URV).
h) What is 'Shortworkings' in Royalty contracts?

Q.2 A) A fire occurred in the premises of M/s. Phoenix Traders on 15th September 2025, destroying a major portion of their inventory. From the accounting records saved, the following information was extracted: (12 Marks) (BL2)

i. Stock on 1st April 2024: ₹80,000
ii. Stock on 31st March 2025: ₹1,10,000
iii. Purchases for the year ended 31st March 2025: ₹4,10,000
iv. Sales for the year ended 31st March 2025: ₹6,00,000
v. Direct Wages & Manufacturing Expenses (2024-25): ₹20,000
vi. Purchases from 1st April 2025 to 15th September 2025: ₹2,80,000
vii. Sales from 1st April 2025 to 15th September 2025: ₹3,90,000

Additional Information:

a) While valuing stock on 31st March 2025, an abnormal item of inventory costing ₹10,000 was written down by 50% (valued at ₹5,000). Half of this abnormal stock was sold in June 2025 for ₹4,000; the remaining half was valued at its original cost. Except for this transaction, gross profit margins remained constant.
b) Value of stock salvaged from fire: ₹20,000.
c) The business held a Loss of Stock Policy for ₹1,04,000, subject to the Average Clause.

Reconstruct the Trading Account for 2024-25, prepare the Memorandum Trading Account up to the date of fire, and determine the final insurance claim amount.

OR

Q.2 B) A fire damaged the godown of Vasco Enterprise on 30th June 2025. The historical Gross Profit ratio derived from the previous year's Trading Account was 25% on turnover. From 1st April 2025 to 30th June 2025, Purchases were ₹1,80,000, Wages were ₹20,000, and Sales were ₹2,40,000. Opening stock on 1st April 2025 was ₹60,000. In May 2025, a selling price increase raised the current year's Gross Profit margin by 2% over the historical rate. Stock salvaged was ₹12,000. Policy amount was ₹75,000. Calculate the stock on the date of fire, net loss of stock, and the claim payable applying the Average Clause. (12 Marks) (BL2)

Q.2 C) Explain the Principle of Indemnity and the requirement of Insurable Interest in fire insurance policies. (04 Marks) (BL2)

Q.3 A) The vessel M.V. Mandovi commenced a complete round-trip voyage from Mormugao Port (Goa) to Tokyo (Japan) and back on 1st October 2025, returning on 30th November 2025. Transactions recorded for the 2-month period were as follows: (12 Marks) (BL3)

i. Freight Earned: Outward Journey (Goa to Tokyo) = ₹6,00,000; Return Journey (Tokyo to Goa) = ₹4,00,000.
ii. Coal & Bunker Purchases: Goa = ₹1,50,000; Tokyo = ₹80,000. (Stock remaining in hand on 30th Nov = ₹30,000).
iii. Stores Purchased: ₹40,000. (Unused stores on 30th Nov = ₹10,000).
iv. Crew Salaries & Wages: ₹1,80,000.
v. Port Charges: Mormugao = ₹15,000; Tokyo = ₹25,000.
vi. Sundry Voyage Expenses: ₹20,000.
vii. Annual Depreciation on Ship: ₹6,00,000 per annum.
viii. Annual Hull Insurance Premium: ₹2,40,000 per annum.
ix. Passage Money Collected: ₹50,000.

Adjustments:

a) Primage is charged at 10% on freight earned.
b) Address Commission is payable at 5% on outward freight and 4% on return freight (both calculated on freight inclusive of primage).
c) The Voyage Manager is entitled to a commission of 10% on net profit, after charging such commission.

Prepare the Voyage Account for M.V. Mandovi for the period ending 30th November 2025 to ascertain the net profit transferred to the General P&L Account.

Q.3 B) Differentiate between Address Commission and Brokerage in Voyage Accounts. State whether Stevedoring charges are debited or credited in a Voyage Account. (04 Marks) (BL3)

OR

Q.3 C) Explain how Bunker Costs and Passage Money are treated in the preparation of a Voyage Account with suitable journal entries. (04 Marks) (BL3)

Q.4 A) SKS Ltd. acquired heavy machinery on a finance lease from PC Soft Ltd. on 1st January 2022 on the following terms: (12 Marks) (BL4)

i. Lease Term: 4 years
ii. Fair Value of machinery at inception: ₹16,00,000
iii. Annual Lease Rental: ₹5,00,000 payable at the end of each year

iv. Guaranteed Residual Value (GRV) by Lessee: ₹1,00,000
v. Implicit Rate of Interest (IRR): 14.97% p.a.
vi. Discount Factors @ 14.97%:

Year 1 = 0.8698, Year 2 = 0.7565, Year 3 = 0.6580, Year 4 = 0.5724.

Compute the Present Value of Minimum Lease Payments (PV of MLP) and determine the asset capitalization value. Also, prepare the Lease Liability Account for all 4 years in the books of SKS Ltd.

Q.4 B) Arun Ltd. took equipment on an operating lease for 5 years. The agreement specifies rent-free occupancy for the first 2 years, followed by annual payments of ₹21,00,000 p.a. for the remaining 3 years. Advise Arun Ltd. on the annual P&L charge under AS 19. (04 Marks) (BL3)

OR

Q.4 C) Distinguish between a Finance Lease and an Operating Lease. (04 Marks) (BL3)

Q.5 A) Goa Coal Mining Co. Ltd. took a lease of a coal mine from Landlord Shri Rane on 1st January 2022 on a royalty of ₹10 per ton of coal raised, with a Minimum Rent of ₹80,000 per annum. Shortworkings are recoverable out of excess royalties during the first three years of the lease only. The annual output was as follows:

2022: 4,000 tons;
2023: 6,500 tons;
2024: 9,000 tons;
2025: 11,000 tons.

Prepare the Analytical Statement of Royalties, the Royalty Payable Account, Shortworkings Account, and Landlord's Account in the books of Goa Coal Mining Co. Ltd. for all four years. (12 Marks) (BL4)

Q.5 B) Explain the treatment of Shortworkings when a strike or lockout clause is invoked in a Royalty agreement. (04 Marks) (BL3)

OR

Q.5 C) Explain the meaning Shortworkings and Recoupment of Shortworkings in Royalty Accounts. (04 Marks) (BL3)