



CS – 386

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V Semester B.B.A. Examination, March 2023
(CBCS) (2022 – 23 Onwards) (Fresh)
BUSINESS ADMINISTRATION
A&FN1 : 5.5 – Advanced Accounting

Time : 3 Hours

Max. Marks : 70

Instruction : Answers should be written in **English only**



SECTION – A

Answer **any five** of the sub-questions. **Each** sub-question carries **2** marks. **(5×2=10)**

1. a) What is statutory Reserve ?
- b) Name any 4 subsidiary ledgers of Banking business.
- c) What is Re-insurance ?
- d) Explain Annuities.
- e) Write any 2 merits of Inflation accounts.
- f) Mention any 4 assets of a Farm business.
- g) What do you mean by Investment Accounting ?

SECTION – B

Answer **any three** questions. **Each** question carries **5** marks. **(3×5=15)**

2. Krishna Bank Ltd. has the following bills to be discounted on 31st March 2020.

Date of Bill	Amount (₹)	Term	Rate of Discount
10/1/2020	9,00,000	3 months	10%
20/2/2020	5,00,000	4 months	12%
13/3/2020	4,00,000	2 months	11%
25/3/2020	2,00,000	3 months	13%

Calculate Rebate on Bills Discounted as on 31/03/2020.

P.T.O.



3. From the following calculate net premium earned for the year ended 31/03/2022 of a fire insurance business :

	₹
Premium on direct business	2,50,000
Premium on Re-insurance accepted	1,00,000
Premium on Re-insurance ceded	50,000
Premium Due :	
At the beginning of the year	10,000
At the end of the year	15,000
Reserve for unexpired risk (1/4/2021)	50,000

4. From the following information calculate cost of goods sold under FIFO method.

	₹
Opening stock on 1/4/2021	20,000
Purchased during the year	1,00,000
Closing stock on 31/03/2022	15,000
Opening price level index	100
Closing price level index	200
Average price level index	150

5. Prepare Cattle Account to find Profit/Loss for the year ending 31/03/22 from the information given below :

	₹
Opening stock : Cattle	50,000
Cattle food	5,000
Purchases : Cattle	30,000
Cattle food	8,000
Cattle expenses : Medicines	1,500
Labour	5,000
Dairy expenses	2,000
Sales : Dairy product	1,00,000
Cattle	50,000
Closing stock : Cattle	55,000
Cattle food	10,000

6. Write a note on cost of investments.



SECTION – C

Answer **any three** questions. **Each** question carries **12** marks.

(3×12=36)

7. From the following Trial Balance of Canara Bank Ltd. Prepare Profit and Loss Account for the year ending 31/03/2022 and Balance Sheet as on that date.

Particulars	Debit (₹)	Credit (₹)
Paid up capital		10,00,000
Money at call and short notice	4,00,000	
Reserve fund		2,50,000
Cash on hand	5,00,000	
Cash with RBI	2,00,000	
Fixed Deposits		12,00,000
Loans, Cash Creditors etc.	15,00,000	
Investments	2,00,000	
Borrowings from City Bank		3,00,000
Pension fund		1,00,000
Unclaimed dividend		50,000
Furniture less depreciation	80,000	
Premises less depreciation	3,20,000	
Rent		10,000
Interest and discounts		6,00,000
Commission received		60,000
Salaries and allowances	90,000	
Interest on deposits and borrowings	3,10,000	
Audit fees	8,000	
Director's fees	7,000	
Depreciation on Bank property	9,000	
Printing and stationery	4,000	
Other expenses	2,000	
Profit and Loss Account 1/4/2021		60,000
	36,30,000	36,30,000

Adjustments :

- 1) Provide ₹ 5,000 for rebate on bills discounted.
- 2) Provide ₹ 22,000 for bad debts.
- 3) Bills for collection on behalf of customers ₹ 50,000.
- 4) Provide for taxation ₹ 4,000.



8. Prepare Revenue Account and Balance Sheet for the year ended 31/03/2022 from the following details.

Particulars	Debit (₹)	Credit (₹)
Share Capital		1,92,000
Life Assurance fund as on 1/4/2021		35,66,760
Dividend paid	18,000	
Interest and dividend received		1,35,240
Premium received		1,21,800
Surrenders	8,400	
Claims paid	2,36,400	
Commission paid	11,160	
Management expenses	38,760	
Mortgage in India	5,90,640	
Agent's Balance	11,160	
Freehold premises	48,000	
Investments	27,66,000	
Loan on company's policies	2,08,320	
Cash deposits	32,400	
Cash in hand	8,760	
Bonus to policy holders	37,800	
	40,15,800	40,15,800

Adjustments :

- 1) Management expenses due ₹ 240
 - 2) Interest accrued ₹ 23,160
 - 3) Claims admitted but not paid ₹ 11,160
 - 4) Premium o/s ₹ 14,400.
9. Following balances are extracted from the books of United Insurance Company Limited as on 31-03-2022.

Particulars	Fire (₹)	Marine (₹)
Claims paid	1,00,000	87,000
Premium	3,74,000	2,97,000
Commission on reinsurance ceded	13,000	
Commission	62,000	51,000
Expenses of management	86,000	68,000



Reserve for unexpired risks 1/4/2021	2,10,000	2,40,000
Additional reserve 1/4/2021	60,000	10,000
Claims outstanding 1/4/2021	24,000	11,000
Premium outstanding 1/4/2021	26,000	17,000
Depreciation on assets	36,000	
Loss on realisation of investments	8,000	
Audit fees	13,000	
Director's remuneration	36,000	
Interest and dividend	63,000	

Following further information is also given :

1) Premium outstanding on 31/03/2022

Fire	33,000
Marine	15,000

2) Claims outstanding on 31/03/2022

Fire	46,000
Marine	17,000

3) Out of the above, a fire claim amounting to ₹ 11,000 was recovered by reinsurance.

4) Reserve for unexpired risks to be maintained at 50% of fire and 100% for marine on Net premium.

5) Additional reserve for fire to be maintained at 20% net premium.

6) Interest accrued on investments ₹ 13,000.

Prepare Revenue account, Profit and Loss account for the year ended 31/03/2022.

10. From the following Trial Balance of a farmer, Prepare Trading and Profit and Loss Account and Balance Sheet as on 31/03/2022.

Debit Balance	(₹)	Credit Balance	(₹)
Opening stock :		Sales :	
Cattle	60,000	Dairy products	36,000
Paddy	30,000	Paddy	65,000
Cattle feed	4,000	Cattle	15,000
Fertilizers	8,600	Creditors	14,900



Purchases :		Loan from Bank	
Cattle	12,000	at 8% interest	24,000
Seeds	1,300	Capital	1,90,000
Fertilizers	2,400		
Cattle Feed	6,400		
Crop Expenses :			
Labour	7,800		
Other Direct expenses	800		
Cattle Expenses :			
Medicines	1,800		
Labour	6,000		
Dairy expenses	2,200		
General expenses	1,600		
Land	1,40,000		
Tractor	46,000		
Cash	14,000		
	3,44,900		3,44,900

Adjustments :

1) Closing stock :

Cattle – 66,000

Paddy – 4,600

Cattle Feed – 1,600

Fertilizers – 600

2) Provide 10% depreciation on Tractor.

3) Interest on Loan is outstanding.

4) The proprietor has consumed the following items out of his farm output.

Dairy Products – 4,000

Paddy – 2,000.

11. a) From the following particulars, prepare the fire revenue account for the year ending 31/03/2022.

	₹
Claims paid	2,00,000
Legal expenses regarding claims	5,000
Premium received	6,00,000



Re-insurance Premium	60,000
Commission	1,00,000
Expenses of management	1,50,000
Provision against unexpired risk (1/4/2021)	2,30,000
Claims unpaid (1/4/2021)	20,000
Claims unpaid (31/03/2022)	35,000

- b) While preparing the final accounts of banking company under which schedule the following appears ?
- i) Audit fees
 - ii) Commission and exchange
 - iii) Lockers rent
 - iv) Branch adjustment (Cr.)
 - v) Non-Banking assets
 - vi) Law charges.

SECTION – D

Answer **any one** question, which carries **9** marks.

(1×9=9)

12. a) Prepare revenue account and profit and loss account of a fire Insurance business with imaginary figures.

OR

- b) List out various investment valuation methods.
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