

**B.Com. DEGREE (C.B.C.S.S.) EXAMINATION, OCTOBER 2014****Fifth Semester****Core Course 14—SPECIAL ACCOUNTING**

(Common for Model I, Model II and U.G.C. Sponsored B.Com. Degree Programmes)

[2012 Admissions]

Time : Three Hours

Maximum Weight : 25

*Answers may be written either in English or in Malayalam.*

**Section A**

*Answer all questions.*

*Each bunch of four questions carries a weight of 1.*

1. Choose the correct answer from the choices given below :

1. When an insurance company insures a part of its risk with another insurance company, it is known as :

- (a) Assurance. (b) Insurance.  
(c) Re-insurance. (d) Double insurance.

2. Realisation account prepared at the time of dissolution is :

- (a) Nominal account. (b) Real account.  
(c) Personal account. (d) None of these.

3. In Bank accounts schedule 12 stands for :

- (a) Other assets. (b) Other liabilities.  
(c) Contingent liabilities. (d) Provisions and Contingencies.

4. Ex-interest purchase price means, price is :

- (a) Including interest. (b) Excluding interest.  
(c) Nominal value. (d) Market price.

2. Fill in the blanks :

5. Rebate on bills discounted is adjusted in \_\_\_\_\_.  
6. Average clause in insurance is applied for avoiding \_\_\_\_\_.  
7. Commission on re-insurance accepted is an \_\_\_\_\_.  
8. Dissolution stands for \_\_\_\_\_.

**Turn over**

3. State whether the following statements are True or False :—

9. Non-banking assets are assets acquired in satisfaction of claim.
10. Commission on re-insurance ceded is an expense.
11. Standard turnover is the turnover during indemnity.
12. As per Garner *vs.* Murray decision, the loss due to the insolvency of a partner should be borne by the solvent partners in their profit sharing ratio.

4. Match the following :—

- |                               |                             |
|-------------------------------|-----------------------------|
| 13. Reversionary Bonus        | (a) dissolution.            |
| 14. Consequential loss policy | (b) paid annually.          |
| 15. Bonus shares              | (c) loss of profit.         |
| 16. Realisation account       | (d) no cost of acquisition. |
|                               | (e) loss of stock.          |
|                               | (f) paid on maturity.       |

(4 × 1 = 4)

#### Section B

*Answer any five questions.  
Each question carries a weight of 1.*

17. What do you mean by SLR ?
18. What is double insurance ?
19. What is a right share ?
20. What is average clause ?
21. What is meant by non-banking asset ?
22. What is slip system of posting ?
23. What is compulsory liquidation ?
24. What is meant by piece meal distribution ?

(5 × 1 = 5)

#### Section C

*Answer any four questions.  
Each question carries a weight of 2.  
Answers should not exceed half a page each.*

25. Distinguish between cum-interest and ex-interest quotation.
26. Define contingent liabilities. What are the contingent liabilities in banks ?

27. Explain the procedure of determining the loss of stock to be claimed.
28. What is valuation balance sheet ? Give a specimen of it.
29. On 1st December 2010, A purchased 200, 6% debentures of Rs. 100 each at Rs. 104 ex- interest per debenture. He paid 0.5 % brokerage in this connection. Interest is payable on 30th June and 31st December. Pass Journal Entries in the books of A. He closes his books on every 31st December.
30. Mention the order of settlement of claim on dissolution of firm.

(4 × 2 = 8)

### Section D

*Answer any two questions.*

*Each question carries a weight of 4.*

31. From the following information, prepare the Profit and Loss Account of XYZ Bank Ltd., for the year ended 31st March 2012 :-

	Rs.
Interest on loan	2,59,000
Establishment	54,000
Interest on cash credit	2,23,000
Rent and taxes	18,000
Directors fees	3,000
Interest on Savings bank account	68,000
Printing and stationery	2,900
Interest on fixed deposits	2,75,000
Commission	8,200
Discount on bills	1,95,000
Interest on current account	42,000
Interest on overdraft	1,54,000
Auditors' fees	1,200
Postage	1,400
Sundry expenses	1,700
P and L Account balance at beginning	1,20,000

Rebate on bills discounted at the end of the year is 49,000 rupees. Bad debt to be written-off amounted to 40,000. Provision for taxation may be made at 40 per cent. Transfer 25 % profit to statutory reserve and provide 20,000 rupees for dividends.

**Turn over**

32. X, Y and Z are partners sharing profits equally. Their Balance Sheet as on 31st December 2011 is given as under :

<i>Liabilities</i>	<i>Rupees</i>	<i>Assets</i>	<i>Rupees</i>
Capital :			
X	...	Capital Y	...
Z	...	Machinery	...
Z Reserve	...	Furniture	...
Creditors	...	Debtors	...
		Cash	..
	<u>55,000</u>		<u>55,000</u>

The firm is dissolved due to insolvency of Y who is unable to pay anything to the firm. Machinery realized 15,000 and furniture realized 3,200. Rupees 12,000 was recovered from debtors. Creditors were paid at a discount of 5%. Prepare necessary ledger accounts applying Garner Vs Murray decision.

33. A fire occurred in the premises of a merchant on 16th September 2006 and a considerable part of the stock was destroyed. The value of the stock saved was Rs. 8,200. The books disclosed that on 1st April 2006 the stock was valued at Rs. 66,850, purchases to the date of fire amounted to Rs. 1,85,000 and sales to Rs. 2,82,500. Goods costing Rs.500 were taken for personal use and goods sold for Rs. 2,500 were returned to the merchant. On investigation it is found that during the first five years the average gross profit on cost was 25%.

You are required to prepare a statement showing the amount the merchant should claim from the insurance company in respect of stock destroyed by fire.

(2 × 4 = 8)