

**RS 45010**

THREE YEAR B.Com. (Comp.) (CBCS) DEGREE EXAMINATION, MARCH/APRIL 2019.

FOURTH SEMESTER

ACCOUNTING FOR SERVICE ORGANIZATIONS

(W.e.f. 2016-2017 Admitted Batch)

Time } Three hours

Maximum : 75 marks

(No additional sheet will be supplied)

PART A — (5 × 5 = 25 marks)

Answer any FIVE questions.

Each question carries 5 marks.

1. What are the features of Non-Trading Organisations?
2. Write about Income and Expenditure Account.
3. Double Entry System Vs. Single Entry System.
4. What are the disadvantages of Single Entry System?
5. What is meant by slip system of posting?
6. Non-Banking Assets.
7. Life Insurance Vs General Insurance.
8. Bonus in reduction premium.
9. Average Clause.
10. Memorandum Trading Account.

PART B — (5 × 10 = 50 marks)

Answer ALL questions.

Each question carries 10 marks.

11. Prepare Receipts and Payment A/c from the following :

	₹		₹
Cash at bank	1,600	Rent paid	800
Cash in hand	4,000	General expenses	500
Subscriptions	7,000	Sundry expenses	200
Donations received	7,000	Insurance	160
Investments purchased	2,000	Cash closing balance	1,600

Or

12. From the following information calculate subscription received for the year ended 31.12.2017.

	₹
Subscription for the 2017 as per Income and Expenditure A/c	5,000
31.12.2017 Subscription received in advance	200
31.12.2017 Subscription receivable	800
1.1.2017 Subscription receivable	400

13. Reddy keeps his books by single entry system, his financial position on 1.1.2017 and 31.12.2017 as follows. Prepare a statement of profit (or) loss.

1.1.2017	₹	31.12.2017	₹
Cash in hand	1,250	Sundry creditors	7,500
Stock in trade	7,500	Furniture	320
Sundry creditors	9,000	Stock in trade	14,000
Sundry debtors	9,800	Bank O.D.	3,600
Cash at bank	2,000	Plant	18,100
Furniture	350	Debtors	13,300
Plant	15,100	Cash in hand	1,150
		Drawings during the year	5,900

Or

14. Ascertain profit earned by a trader who keeps his books under single entry system.

	₹
(a) Excess of assets over liabilities as on 31.12.2017	26,150
(b) Additional capital introduced	7,500
(c) Drawings	4,800
(d) Capital as on 1.1.2017	15,000

15. From the following particulars, prepare profit and loss account of Safety Bank for the year ended 31.3.2018.

	₹		₹
Interest on deposits	32,00,000	Discount on bills discounted	14,90,000
Commission (Cr.)	1,00,000	Interest on overdrafts	16,00,000
Interest on loans	24,90,000	Interest on cash credits	23,20,000
Sundry charges (Dr.)	1,00,000	Auditor fees	35,000
Rent taxes	2,00,000	Directors fees	16,000
Payment to employees	5,00,000	Bad debts written off	3,00,000

Or

16. Give a proforma of Balance Sheet of a Banking Company.

17. The Revenue Account of Life Insurance Company showed the life fund Rs. 73,17,000 on 31.3.2018 before taking into account the following items :

- (a) Claims intimated but not admitted Rs. 98,250.
- (b) Bonūs utilised on reduction of premium Rs. 13,750.
- (c) Interest accrued on investments Rs. 29,750.
- (d) Outstanding premium Rs. 27,000.
- (e) Claims covered under re-insurance Rs. 40,500.
- (f) Provisions for taxation Rs. 31,500.

Pass journal entries giving effect to the above adjustments and show the life fund.

Or

18. The life fund of a Life Assurance Company was Rs. 86,48,000 as on 31<sup>st</sup> March 2017. The interim bonus paid during the inter valuation period was Rs. 1,48,000. The periodical actuarial valuation determined the net liability at Rs. 74,25,000. Surplus brought forward from the previous year valuation was Rs. 8,50,000. The Directors of the Company proposed to carry forward Rs. 9,31,000 and divide the balance between the shareholders and policy holders in the ratio of 1 : 10. Show

- (a) The Valuation Balance Sheet.
- (b) The net profit for the valuation period and
- (c) The distribution of the surplus.

19. A fire occurred on 25<sup>th</sup> April 2017 in the premises of a company. From the following particulars ascertain the amount of claim to be lodged in case of the loss of stock which was insured.

	Rs.
Stock on 1.1.2017	2,50,000
Purchases from 1.1.2017 to date of fire	10,00,000
Wages	2,00,000
Manufacturing expenses	1,00,000
Sales from 1.1.2017 to date of fire	15,00,000

The gross profit ratio is 25%. The stock salvaged was estimated at Rs. 57,500.

Or

20. A fire accident occurred on 1<sup>st</sup> September 2017. 5,05,000 stock saved. Other particulars are collected from books.

	Rs.
Purchases upto 31.3.2017	35,00,000
Sales upto 31.3.2017	55,00,000
Purchase from 1.3.2017 to 1.9.2017	12,00,000
Sales from 1.3.2017 to 1.9.2017	18,00,000
Stock on 31.3.2016	15,00,000
Stock on 31.3.2017	17,00,000

Stock on 31.3.2017 is over valued with Rs. 1,00,000. Compute amount of claim to be lodged.