



25272

Reg. No.

| | | | | | | | |
|--|--|--|--|--|--|--|--|
| | | | | | | | |
|--|--|--|--|--|--|--|--|

VI Semester B.Voc. Degree Examination, September - 2021

RETAIL MANAGEMENT

Advanced Accounts

(CBCS Freshers and Repeaters 2018-2019 and onwards)

Paper : 6.2

Time : 3 Hours

Maximum Marks : 70

Instructions to Candidates:

Answers all sections. Answers Should be written in English only.

SECTION - A

Answer any **FIVE** of the of following sub-questions. Each carries **Two** marks. **(5×2=10)**

1. a. Give the meaning of General Insurance.
- b. What is NPA?
- c. What is Statutory Reserve?
- d. What do you mean by claims on reinsurance ceded?
- e. Mention two principal ledgers to be maintained by banking company.
- f. Mention different methods of Inflation Accounting.
- g. What is Pre - acquisition Profit?

SECTION - B

Answer any **THREE** of the following. Each question carries **Six** marks. **(3×6=18)**

2. While preparing final Accounts of Banking company, under which schedule the following appears?
 - a. General Reserve.
 - b. Director's fee.
 - c. Money at call and short notice.
 - d. Indian Government Securities.
 - e. Bills purchased and discounted.
 - f. Rent, Rates and taxes.
3. List out the differences between life insurance and General Insurance.
4. From the folloiwng balances, prepare Revenue Account of star Assurance Co. Ltd. for the year ended 31st March 2020.

| Particulars | Amount (Rs.) |
|-------------------------|--------------|
| Claims by death paid | 1,42,000 |
| Claims by maturity paid | 70,200 |
| Premium | 14,12,100 |

[P.T.O.]



(2)

25272

| | |
|--|-----------|
| Consideration for annuities granted | 1,64,000 |
| Bouns paid in cash | 4,800 |
| Expenses of management | 63,800 |
| Commission | 19,140 |
| Interest, Dividend and Rent | 1,95,700 |
| Income tax deducted at source | 12,700 |
| Surrenders | 26,300 |
| Bonus in reduction of premium | 1800 |
| Dividends paid t shareholders | 9,000 |
| Life Assurance fund at the beginning of the year | 30,45,000 |
| O/S claims at the beginning of the years | 22,000 |
| O/S claims at the end of the year | 16,000 |

5. Zenith Ltd provides the following details.

| Particulars | Rs. | Index |
|---------------------------|------|---------------|
| Stock on 1.4.2019 | 500 | 100 |
| Purchases during the year | 3000 | 160 (Average) |
| Stock on 31.03.2020 | 800 | 200 |

Calculate cost of goods sold for CPP purpose under

- LIFO method.
 - FIFO method
6. From the following particulars, prepare fire Revenue Account for the year ending 31st March 2020.

| Particulars | Amount (Rs.) |
|--|--------------|
| Claims paid | 2,35,000 |
| Legal expenses regarding claim | 5000 |
| Premiums received | 6,00,000 |
| Re-insurance Premiums | 60000 |
| Commission | 1,00,000 |
| Expenses of management | 1,50,000 |
| Provision against unexpired risk | 2,60,000 |
| Claims unpaid at the beginning of the year | 20,000 |
| Claims unpaid at the end of the year | 35,000 |

SECTION - C

Answer any **THREE** of the following. Each question carries **14** marks. **(3×14=42)**

7. From the following balances of Indian Bank, Prepare Revenue Account and Balance Sheet as at 31.03.2020

| Particulars | Debit (Rs.) | Credit (Rs.) |
|-----------------------|-------------|--------------|
| Share capital | | 3,00,000 |
| Bad debts written off | 12,500 | |
| Reserve fund | 2,00,000 | |
| General expenses | 69,500 | |



(3)

25272

| | | |
|----------------------------------|-----------|-----------|
| Current Accounts | | 20,00,000 |
| Interest paid on Deposits | 16,000 | |
| Deposit Accounts | | 7,00,000 |
| Profit and loss Account | | 25,000 |
| Acceptances for customers | 1,50,000 | |
| Discount received | | 58,000 |
| Endorsement and Guarantee | 7,500 | |
| Commission and Exchange | | 5,000 |
| Cash in hand | 25,000 | |
| Interest received | | 25,000 |
| Cash with RBI | 2,00,000 | |
| Endorsement and Guarantee | | 7,500 |
| Owings by foriegn correspondents | 20,000 | |
| Customers liability for expenses | | 1,50,000 |
| Borrowings from Banks | | 6,50,000 |
| Loans and advances | 15,50,000 | |
| Investments | 10,00,000 | |
| Bills discounted | 6,50,000 | |
| Premises | 2,20,000 | |
| Statutory Reserve | | 2,00,000 |
| | 41,20,500 | 41,20,500 |

Additional Information :

- Interim dividend paid during the year Rs. 20,000.
 - Provide for rebate on bills discounted Rs. 6,000.
 - Provide for income tax reserve Rs. 15,000.
8. Compute Net monetary result of P Ltd. as on 31.03.2018 from the following.

| Particulars | 1.4.2019 (Rs.) | 31.03.2020 (Rs.) |
|-------------|----------------|------------------|
| Cash | 25,000 | 30,000 |
| Book debts | 51,000 | 60,000 |
| Creditors | 55,000 | 65,000 |
| Loan | 40,000 | 45,000 |

Retail Price Index numbers :

1.4.2019 - 250

31.3.2020 - 350

Average for the year - 300

9. From the following balances of united insurance Co. Ltd. Prepare Fire revenue account, Marine revenue account and profit and loss Account.

| Particulars | Fire (Rs.) | Marine (Rs.) |
|-----------------------------|------------|--------------|
| Bad debts | 20,000 | 48,000 |
| Reserve as on (1.4.2019) | 10,00,000 | 32,80,000 |
| Claims paid and outstanding | 7,60,000 | 15,20,000 |

[P.T.O.]



(4)

25272

| | | |
|--|-----------|-----------|
| Commission paid | 3,60,000 | 4,32,000 |
| Additional Reserve (1.4.2019) | 2,00,000 | - |
| Premium less reinsurance | 24,00,000 | 43,20,000 |
| Management expenses | 5,80,000 | 16,00,000 |
| Commission earned on reinsurance ceded | 1,20,000 | 2,40,000 |

Auditor's fees Rs.12,000

Director's fees Rs. 12,400

Share transfer fees Rs. 3,200

Bad debts recovered Rs. 4,800

Depreciation Rs. 1,40,000

Interest, Dividend received Rs. 56,000

Difference in exchange (Cr.) Rs. 1,200

Sundry receipts Rs. 20,000

Profit on sale of land Rs. 2,40,000

Additional information :

In addition to the usual reserve additional reserve in case of fire insurance is to be increased by 5% of net premium.

10. What is Inflation Accounting? What are its merits and demerits?
11. From the following Balance Sheets of Regals Ltd and Bugals Ltd, Prepare consolidated Balance Sheet as at 31.03.2020.

| Particulars | Regals Ltd (Rs.) | Bugals Ltd (Rs.) |
|---------------------------------------|------------------|------------------|
| Liabilities : | | |
| Share capital (Shares of Rs. 10 each) | 2,00,000 | 1,00,000 |
| General Reserve | 20,000 | 8,000 |
| Profit and loss A/c | 40,000 | 10,000 |
| Sundry Creditors | 20,000 | 2,000 |
| Total | 2,80,000 | 1,20,000 |
| Assets : | | |
| Fixed Assets | 1,30,000 | 1,20,000 |
| Investments : | | |
| (8,000 shares in Bugal Ltd) | 1,50,000 | NIL |
| Total | 2,80,000 | 1,20,000 |

Regals Ltd. acquired the shares in Bugals Ltd. on 31.03.2020. There was no balance in P/L Account of Bugals Ltd as at 1.4.2019 but there was already a balance of Rs. 8000 in the General reserve account as at that date. Show the treatment of Pre acquisition profit and goodwill calculation as separate workings.