



M.Com. III Semester Degree Examination, April/May - 2023

COMMERCE

**Accounting For Specialised Institutions
(CBCS)**

Time : 3 Hours

Maximum Marks : 70

Note : Answer **any FIVE** of the following questions with Question No. 1 (Q1) **Compulsory**.
Each question carries **Fourteen** marks.

1. (a) Describe the Need and Importance of Accounting for Educational Institutions. **7**
(b) From the following particulars of Arabindo School, prepare Income and Expenditure Account and Balance Sheet as at 31st March 2022. **7**

Particulars	Amount (Dr)	Amount (Cr)
Security Deposit		2,50,000
Research Fund		5,00,000
Capital Fund		19,90,000
Tuition Fees		10,00,000
Government grants		7,00,000
Donations (Income)		1,00,000
Hostel Room rent		2,10,000
Mess Receipts		1,80,000
Salary	10,50,000	
Scholarships	1,00,000	
Student welfare expenses	40,000	
Sports expenses	60,000	
Repairs and maintenance	1,25,000	
Miscellaneous expenses	50,000	
Building	20,00,000	
Furniture	7,00,000	
Buses	5,00,000	
Provision for depreciation		
(a) Building		2,00,000
(b) Furniture		70,000
(c) Buses		75,000
Bank Balance	6,50,000	
Total	52,75,000	52,75,000



2. (a) "A contract of insurance is a contract of indemnity". Discuss. How far does the statement apply to life insurance policies ? 7
- (b) From the following balances as at March 31, 2022 in the books of General Insurance Co. Ltd. prepare a Revenue Account in respect of Fire Insurance business carried on by them : 7

Particulars	Amount ₹ in '000
1. Claims Paid	4,80,000
2. Claims outstanding on 01.04.2021	40,000
3. Claims intimated and accepted but not paid on 31.03.2022	70,000
4. Premium received	12,12,000
5. Reinsurance premium paid	1,20,000
6. Commission	2,00,000
7. Commission on reinsurance ceded	8,000
8. Reserve for unexpired risks as on 01.04.2021	4,00,000
9. Additional Reserve for unexpired risks on 01.04.2021	20,000
10. Commission on reinsurance accepted	4,000
11. Expenses of Management	3,14,000
12. Reinsurance recoveries of claims	8,000
13. Survey expenses regarding claims	5,000
14. Loss on sale of motor car	3,500
15. Bad debts	2,500
16. Refund of Double Taxation	4,500
17. Interest and Dividends	8,000
18. Legal expenses regarding claims	4,000
19. Profit on sale of investments	3,500
20. Rent of staff quarters deducted from salaries	2,400
21. Depreciation on furniture	4,600

You are required to provide for additional reserve for unexpired risk at 1 percent of the net premium in addition to the opening balance of Additional reserve.



3. Following balances were extracted on the closing date 31st March 2022 from the books of Adani Bank Ltd. You are required to prepare Balance sheet and Profit and loss A/c of the bank. 14

Particulars	Amount Rs in '000s
Current Deposits	45,500
Savings Bank Accounts	14,520
Fixed Deposits	37,180
Sundry creditors Accounts	454
Deposit due to other banks secured by Investments	12,200
Bills for collection being Bills Receivable	22,100
Acceptances and endorsements for customers	11,168
Rebate on Bills Discounted	15
Branch adjustment (Cr)	4,555
Statutory Reserve	10,000
Dividend Equalization Fund	2,500
Capital : 2 Lakh shares of Rs. 100 each, Rs. 50 paid up	10,000
Interest and Discount received	5,800
Exchange and Commission (Cr.)	1,700
General charges recovered	55
Profit and Loss A/c Balance on 01.04.2021	852
Cash in hand and with RBI	487
Cash with Bank	6,869
Money at call and short notice	1,500
Investments in Govt. Securities	45,200
Investments in shares	4,700
Interest accrued on investments	875
Cash credits and loans	44,100
Bills Discounted	33,100
Furniture, Fixtures and Equipment	500
Postage and Telegrams	500
Interest Paid	1,200
Law Charges	100
Payment to Employees	2,400
Directors Fees	100
Stationery and Advertisements	400
Miscellaneous Expenses	300
Land and Building	3,500
Depreciation Reserve	500



Provide for :

- (a) Reserve for Taxation Rs. 5 Lakhs.
- (b) Transfer to General Reserve Rs. 15 Lakhs.
- (c) Transfer to Dividend Equalization fund Rs. 5 Lakhs.

4. (a) Define Accounting for Hotels. Why is the Visitor's Ledger maintained by a Hotel ? Discuss. **7**
- (b) (i) A Hotel in Mumbai has 864 rooms in total, of which 76 rooms are used by the hotel for its operations and 28 rooms are used by the staff of the hotel. On 2nd January 2022, 646 rooms were occupied by customers. Find the occupancy rate. **7**
- (ii) A hotel in Kolkata has 240 single bed rooms and 360 double bed rooms available for letting. On 26th January 2022, 520 rooms were occupied by 832 guests. Calculate the double occupancy rate.
- (iii) A hotel in Chennai has 160 single bed rooms, 240 double bed rooms and 6 dormitories having 9 beds each. On 1st February 2022, 120 single bed rooms, 180 double bed rooms and 2 dormitories were occupied by guests. Calculate the bed occupancy rate.
5. (a) Define Government Accounting. Explain the General Principles of Government Accounting. **7**
- (b) Define the duties and responsibilities of the Comptroller and Auditor General of India in regard to accounts. **7**



6. The under mentioned balances form part of the trial balance of New Life Assurance Co. Ltd. As on 31st March 2022. **14**

1. Amount of Life Assurance fund at the beginning of the year	Rs. 14,70,562
2. Claims by death	Rs. 76,980
3. Claims by maturity	Rs. 56,420
4. Premiums	Rs. 2,10,572
5. Expenses of Management	Rs. 19,890
6. Commission	Rs. 26,541
7. Consideration for annuities granted	Rs. 10,712
8. Interests, dividends and Rents	Rs. 52,461
9. Income tax paid on profits	Rs. 3,060
10. Surrenders	Rs. 21,860
11. Annuities	Rs. 29,420
12. Bonus paid in Cash	Rs. 9,450
13. Bonus paid in reduction of premiums	Rs. 2,500
14. Preliminary expenses balance	Rs. 600
15. Claims admitted but not paid at the end of the year	Rs. 10,034
16. Annuities due but not paid	Rs. 2,380
17. Capital paid up.	Rs. 14,00,000
18. Government Securities	Rs. 24,90,890
19. Sundry fixed assets	Rs. 4,19,110

Prepare Revenue Account and the Balance sheet after taking into account the following.

(a) Claims covered under re-insurance by death	Rs. 10,000
(b) Further claims intimated by death	Rs. 8,000
(c) Further bonus utilised in reduction of premium	Rs. 1,500
(d) Interest Accrued	Rs. 15,400
(e) Premiums outstanding	Rs. 7,400



7. The balances in the books of Hotel Amar as at 31.03.2022 were as follows :

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Particulars	Dr Rs.	Cr Rs.
Furniture as on 31.03.2021	33,400	---
Room Rent from Guests	---	63,000
Capital	---	1,05,600
Billiard Tables as on 31.03.2021	17,800	---
Bank Deposits	56,600	---
China Glass, Cutlery as on 31.03.2021	4,000	---
Interest on Deposit A/c	---	1,600
Stock in Bar on 31.03.2021	20,200	---
Stock in Restaurant on 31.03.2021	600	---
Purchases for Restaurant	2,15,600	---
Purchases for bar	1,64,400	---
Restaurant Takings (Sales)	---	3,23,200
Rent and Rates	69,800	---
Bar Takings (Sales)	---	2,61,000
Establishment Expenses	1,24,600	---
Billiards and sundry Receipts	---	51,200
Repairs	35,800	---
Cash in Hand	2,600	---
Fuel and Light	35,000	---
Creditors	---	35,600
Sundry Expenses	26,800	---
Bank Balance	18,200	---
Debtors	15,800	---
	8,41,200	8,41,200

You are required to Prepare Separate Trading Account for the Restaurant and Bar and Profit and Loss A/c for the year ended 31.03.2022 and Balance sheet after taking the following adjustments.

- (a) Stock on 31.03.2021 Restaurant Rs. 400, Bar Rs. 5,800.
- (b) Depreciated Furniture at 10% and Billiards 15%.



8. (a) Briefly explain the “Reserve for Unexpired Risk” under General Insurance Business. What are the percentages of such reserve to be created under IRDA Act for various General Insurance Businesses ? 5
- (b) Briefly explain the legal provisions relating to the final accounts of a banking company. 5
- (c) Write a note on Compilation of Accounts under Government Accounts in India. 4

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