



M.Com III Semester Degree Examination, April/May - 2024

COMMERCE

**Accounting For Specialised Institutions
(NEP)**

Time : 3 Hours

Maximum Marks : 70

Note : Answer **any five** of the following questions with Question No. 1 (Q.1) is **Compulsory**.
Each question carries **equal** marks.

1. Explain the features and importance of Accounting for Educational Institutions. **14**
2. From the following balances of Wi-Fi General Insurance Company Ltd. as on 31st March 2023. Prepare : **14**
 - (a) Fire Revenue Account
 - (b) Marine Revenue Account
 - (c) Profit and Loss Account

Particulars	Amount ₹ 000
1. Survey Expenses regarding claims (Fire)	10,000
2. Additional Reserve (Opening-Fire)	50,000
3. Commission paid : (a) Marine	1,08,000
(b) Fire	90,000
4. Claims paid and outstanding : (a) Marine	3,80,000
(b) Fire	1,80,000
5. Fire Fund-Opening	2,50,000
6. Marine Fund-Opening	8,20,000
7. Bad debts recovered (General)	1,200
8. Share transfer fees (General)	800
9. Directors fees (General)	5,000
10. Auditors fees (General)	1,200
11. Bad debts (a) Marine	12,000
(b) Fire	5,000
12. Commission earned on reinsurance ceded : (a) Marine	60,000
(b) Fire	30,000
13. Management Expenses : (a) Fire	1,45,000
(b) Marine	4,00,000
14. Marine Premium Less Reinsurance	10,80,000
15. Fire Premium Less Reinsurance	6,00,000
16. Profit on sale of Land (General)	60,000
17. Miscellaneous Receipts (General)	5,000
18. Difference in exchange (Cr) (General)	300
19. Interest, dividends etc received (General)	14,000
20. Depreciation (General)	35,000

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



3. (a) Mention the various provisions to be made by a banking company in regard to its quality of assets. **7**
- (b) From the following information, prepare Profit and Loss Account of Vasavi Bank Ltd. for the year ended 31st March, 2023. **7**

Particulars	Amount ₹
Interest on Loans	3,00,000
Interest on fixed deposits	2,75,000
Commission	10,000
Exchange and brokerage	20,000
Salaries and allowance	1,50,000
Discount on bills (gross)	1,52,000
Interest on temporary overdrafts in current account	30,000
Interest on cash credits	2,40,000
Interest on Savings bank deposit	87,000
Postage and stamps	10,000
Printing and Stationery	20,000
Sundry Expenses	10,000
Rent	15,000
Taxes and Licenses	10,000
Audit fees	10,000

Additional Information :

- (a) Rebate on bills discounted is ₹ 30,000.
- (b) Bad Debts ₹ 40,000.
- (c) Provision for income tax is to be made @ 55%.
- (d) Interest of ₹ 4,000 on doubtful debts was wrongly credited to interest on loan account.
- (e) Provide ₹ 15,000 as dividend.
4. (a) Explain the nature of Hotel Business. Also explain the various departments in a hotel. **7**
- (b) From the following particulars pertaining to four rooms in a hotel, draw up a suitable Visitor's Ledger. **7**
- (i) Room Rent for each room ₹ 500 + 12% tax.
- (ii) Room 1 : Breakfast ₹ 45, Laundry ₹ 50. Phone call charges ₹ 15.
- (iii) Room 2 : Lunch ₹ 85, Phone calls ₹ 125, Wine ₹ 60, Previous day's outstanding amount ₹ 1,250.



- (iv) Room 3 : Private taxi hired from hotel ₹400, Phone calls ₹350, Dinner ₹125, Whisky ₹100, Deposit ₹3,500 with the hotel.
- (v) Room 4 : Opening due from the guest ₹575, Laundry ₹30, Lunch ₹120.
- (vi) The guest in Room 3 is a regular visitor and is entitled to a discount of 20% on room rent.
- All the foregoing transactions pertain to a single day.

5. (a) Define Government Accounting. Explain its objectives. **7**
- (b) Explain the General principles to be followed while preparing Government Accounts in India. **7**
6. Define Banking. Explain the legal provisions relating to the Final Accounts of a banking company. **14**
7. Following are the balances obtained from the ledger of Hotel Shivakrupa on 31st March 2023. **14**

Particulars	Amount ₹	Particulars	Amount ₹
Capital	1,50,000	<u>Purchases</u> :	
Freehold Premises	1,00,000	(a) Provisions and Stores	10,000
China Glass and Plates	10,000	(b) Liquors	15,000
Furniture and Fixtures	25,000	(c) Cigarettes	1,000
Drawings	2,500	(d) Coal	5,000
Wages and Salaries	40,000	<u>Sales</u> :	
Rates and Insurance	12,500	(a) Food items	40,000
Laundry Charges	4,000	(b) Beverages	10,000
Linen and Beddings	10,000	(c) Liquors	25,000
Electricity Light	6,500	(d) Cigarettes	1,500
General Expenses	6,000	Rent from Rooms	1,00,000
Visitors Account	5,000	Repairs and Renewals of Premises	10,000
Sundry Creditors	7,500	<u>Depreciation</u> :	
<u>Stock as on 01-04-2022</u> :		(a) On Premises	10,000
(a) Liquors	20,000	(b) On Furniture	2,500
(b) Cigarettes	500	(c) Glass and Plates	1,000
(c) Provision and Stores	4,000	(d) Linen and Beddings	1,500
(d) Coal	1,000	Cash in hand	5,000
Cash at Bank	26,000		



Adjustments :

1. Stock on 31.03.2023 are as follows : Provisions and Stores ₹5,000, Liquors ₹7,500, Cigarettes ₹250, Coal ₹1,500.
2. A sum of ₹5,000 representing accommodation and ₹4,000 representing meals is to be charged to the proprietor.
3. Insurance paid in advance ₹500.
4. Outstanding Salaries ₹2,500.

From the above details, prepare Final Accounts of **Hotel Shivakrupa** for the year ended 31st March 2023.

8. (a) "A contract of insurance is a contract of indemnity". Discuss. **5**
- (b) From the following particulars of the Life Insurance Company prepare valuation Balance sheet as on 31.03.2023 and distribution statement as on that date. (₹ in Lakhs) **5**
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|--|--------|
| (i) Life insurance fund as on 31.03.2023 | ₹3,800 |
| (ii) Net liability as per valuation | ₹3,000 |
| (iii) Interim bonus paid | ₹500 |
- (c) Write a note on Public Accounts Committee. **4**

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