Model Question Paper 2

SECTION - A

Answer any FIVE sub-questions. Each sub-question carries 2 marks.

(5 x 2 = 10

- a) Mention any two advantages of Buy-back of shares.
 - b) State the methods of Buy-back of shares.
 - c) What is Fixed Income bearing Securities?
 - d) What is Statutory Reserve?
 - e) Who is an Insurer and Insured?
 - f) What do you mean by General Insurance?
 - g) What is Reinsurance Premium?

SECTION - B

II. Answer any FOUR of the following questions. Each question carries 5 marks

 $(4 \times 5 = 20)$

Sri Ram Ltd., furnished the following Balance Sheet as on 31st March 2023.

		Particulars	Notes	Rs. in crores
		Assets		
1		Non-current assets		September 1
		Fixed Assets		100000
200	A	Tangible Assets	1	800
	B	Non-Current Investments (at cost)		10
2		Current assets	nations	ligital lanolish
	A	Current Investments	on ind but no	80
	В	Inventories	t expenses	200
	C	Trade receivables		200
	D	Cash and Cash equivalents		120
		Total		1,400
		Equity and Liabilities		
1		Shareholders' funds		Medic anniell
	A	Share capital	2	200
	В	Reserves and Surplus	3	800
2		Non-current liabilities		
		Long term borrowings		-
3		Current liabilities	rata muin	Andret son broats
23-4	A	Short-Term borrowings		100
	В	Trade Payables		200
	С	Other Current Liabilities		100
		Total		1,400

Notes to Accounts:

No.	Particulars	Rs. In Crores
1	Fixed Assets- Tangible Assets	
	Land and Buildings	500
	Plant and Machinery	200
	Furniture	100
		800
2	Share Capital	Pergicing Sugar ed Light
	Authorised Capital:	Presented memory!
	5 Crore Equity Share of Rs. 20 each	100
	15 Crore, 12% Preference Shares of Rs. 20 each	300
	The state of the s	400
	Issued, Subscribed and Paid-up Capital:	It is the policy of the
	2.5 Crore Equity Share of Rs. 20 each	50
	7.5 Crore, 12% Preference Shares of Rs. 20 each	150
	7.5 61616, 2278 1758	200
3	Reserves and Surplus	
	General reserve	520
	Securities premium	50
	Profit and Loss account	230
	The state of the s	800

The company bought back 50 Lakh Equity shares of Rs. 20 each at Rs. 100 per share.

The payment for this was made out of the bank balance. Pass the journal entries to record the above.

- 3. Mr. Punith purchased Rs. 2,00,000, 15% Debentures of Reliance industries Ltd. from Mr. Arun @ 103, on 1-8-2022 on which stamp 2%, taxes 1.5%, Brokerage 1% and legal charges Rs. 50 was Charged. Date of interest 31-3-2022 and 30-9-2022. Calculate cost of purchase of securities and pass journal entries.
- 4. Analysis of bill discounted by Indian Bank as on 31st March 2022 is as follows:

Amount of the Pill	Due date of the bill	Rate of Interest
Amount of the Bill	6th June 2022	9%
2,40,000	12th June 2022	10%
4,00,000	The second secon	8%
3,50,000	6th July 2022	7%
5,00,000	5th August 2022	

Calculate rebate on bills discounted as on 31.3.2022

5. The following particulars related to a life insurance Corporation for the year 31.3.2023

the following particulars related to a me	Rs.
Particulars	11,33,000
Premium received during the year	7,000
Bonus in Reduction of Premium for 2022-23	87,000
Outstanding Premium on 1.4.2022	1,09,000
Outstanding Premium on 31.3.2023	1,03,000

Premium Received in advance on 1.4.2022	28,000
Premium Received in advance on 31.3.2023	22,000
Re-Insurance premium paid for 2022-23	60,000

Find out the amount of premium to be included in Revenue A/c.

6. Calculate the Premium earned (Net) for the year ended 31st March 2023 from the following in the case of Fire Insurance:

Particulars	Rs.
Premium Received Less Re-Insurance	6,90,000
Premium Outstanding on 1.4.2022	10,000
Premium Outstanding on 31.3.2023	8,000
Reserve for Unexpired risk on 1.4.2022	3,50,000
Additional Reserve on 1.4.2022	40,000

It is the policy of the company to maintain 50% of premium towards reserve for unexpired risks. Reserve for unexpired Risks including additional Reserve at the end of the year is Rs. 4,18,400.

SECTION - C

III. Answer any TWO questions. Each question carries 12 marks.

 $(2 \times 12 = 24)$

- During the year ended 31st December 2022 Sandal Investments Ltd., purchased and sold investments as per details below:
 - 31^{st} March purchased 10,000 3% debentures of 100 each of Arun Ltd. At Rs. 97, brokerage and stamp dutyamounting to Rs. 25,600. Interest is payable on the debentures on 1^{st} July and 1^{st} January.
 - 1st may purchased 10,000, 6% cumulative preference share of 100 each of Bharath Cements Ltd at Rs. 95 brokerage and stamp duty being Rs. 24,200. Dividends are payable on 30th June and 31st December.
 - 1st July sold 6,00,000 debentures of asbestos Ltd at Rs 99 per hundred less brokerage etc. 3,600.1st October purchased a further 4,000, 6% cumulative preference shares 100 of Bharath Cements ltd. At Rs. 90 brokerage and stamp duty being Rs. 8,600

Prepare ledger a/c of the two investments for the year 2022.

8. Nayana Bank ltd required you to prepare its Balance sheet from the following details:

Particulars	Dr.	Cr.
Share Capital	THE THE	100
3,960 equity shares of 10 each	the disconnect see	3,96,000
Statutory Reserve	olica or restates to a life	4,62,000
Net Profit before Appropriations	protestred.	3,00,000
Profit and Loss A/c	The section is	8,24,000
Fixed Deposits	SERVICE A SILVERING	10,34,000
Savings Deposits	Property Control	9,00,000
Current Deposits		10,40,240
Bills Payable		20,000

Borrowings from other Banks	-	- barrelal
Term Loans	45.00	2,20,000
Furniture	15,85,760	THE STREET
	1,40,240	- 400
Premises	3,11,400	TELEVISION OF THE PARTY OF THE
Govt. Securities	2,20,340	199-2016
Gold	1,10,460	
Money at call	4,20,240	o widet a wo
Cash with other Banks	3,11,740	obads2 cias
Cash with RBI	75,760	
Cash in Hand	3,20,300	FIGURE
Cash creditors	16,24,000	
Current Account(overdraft)	76,000	
	51,96,240	51,96,240

Adjustments:

- a. Acceptances and endorsements Rs. 2,82,400
- b. Claims against Bank not acknowledged as debt Rs. 1,10,000
- c. Bills for collection Rs. 3,62,000
- d. Depreciation on Premises Rs. 60,000
- The following is the trial balance extracted from Grand Life Insurance Company Ltd as on 31-03-2023 You are required to prepare Revenue A/c and Balance Sheet.

Particulars	Dr.	Cr.
Share Capital		3,20,000
Life Assurance Fund		59,44,600
Dividend paid	30,000	
Interest & Dividend received		2,25,400
Premium received	SEA BEAR SE	2,03,000
Surrenders	14,000	-
Claims paid	3,94,000	-
Commission paid	18,600	
Management expenses	64,600	-
Mortgages in India	9,84,400	-
Agents" balances	18,600	
Freehold premises	80,000	-
Investments	46,10,000	
Loan on company policies	3,47,200	
Cash deposits	54,000	110
Cash in hand	14,600	
Bonus to policyholders	63,000	-
	66,93,000	66,93,000

Additional information:

- a. Claims admitted but not paid Rs.18,600
- b. Premium outstanding Rs.24,000

A.10

Advanced Accounting

- c. Interest accrued Rs.1,88,600
- d. Management expenses due Rs.400



IV. Answer any ONE question. It carries 6 marks.

(1 x6=6

- 10. Prepare a table of Rebate on Bills Discounted with Imaginary figures.
- 11. Prepare a Schedule of Premiums with Imaginary figures in respect of Life Insurance Company.



Sri Ram Ltd., furnished the following Balance Sheet as on 31st March 2023.

Kall	Particulars	Notes	₹ in Crores
1	Assets Non-current Assets Fixed Assets	od mogran	800
	A Tangible Assets B Non-Current Investments (at cost)	-	
2	Current Assets		80
	A Current Investments		200
	B Inventories	AR THE STATE OF	200
	C Trade receivables	100	120
	D Cash and Cash equivalents Total	(Az gliupi)	1,400
_	Equity and Liabilities	Comp and the	
1	Shareholders'Funds	2	200
	A Share capital B Reserves and Surplus	3	800
2	Non-current Liabilities	anneset.	
	Long term borrowings	plaint pl	
3	Current Liabilities	(=000)	100
	A Short-Term borrowings	WHITE STATE	200
	B Trade Payables	of indigate	100
	C Other Current Liabilities Total	EU-LLUIE -	1,400

Notes to Accounts:

		₹ In C	rores
No.	Particulars	ESPIRITURE DON VANSEL	
1	Fixed Assets- Tangible Assets	Shineholders Funds	500
	Land and Buildings	Sangal valle of	200
E.	Plant and Machinery	P. Bestron and Saleston	100
	Furniture	and Blideli Jin Cas.	800
	Total	guitaret stout A	
2	Share Capital		
-	Authorised Capital:	Acceptance of the second	100
	5 Crore Equity Share of ₹ 20 each	Source District and	300
-	15 Crore, 12% Preference Shares of ₹ 20 each	A. I	400
_	Total	The second of the last	1

	Issued, Subscribed and Paid-up Capital: 2.5 Crore Equity Share of ₹ 20 each 7.5 Crore, 12% Preference Shares of ₹ 20 each	15
	7.5 Crore, 12% Preference shares of 4 20 Const.	20
3	Reserves and Surplus General reserve	5
33	Securities premium Profit and Loss account Total	2

The company bought back 50 Lakh Equity shares of ₹ 20 each at ₹100 per share.

The payment for this was made out of the bank balance. Pass the journal entries to record the above

In the books of Sri Ram Ltd.

	Journal entries		Name and Address of the Owner, where the Owner, which is the Owner, where the Owner, which is the Owner,	Marie Control of the
Date	Particulars,	L/F	Debit (₹)	Credit (₹)
Premi	lum parable on buy-back A/C Dr.	BH	40	50
Tol	Equity shares buy-back A/c g the amount due on buy-back of equity shares)	sinde	Ser Sine you	ALC:
Equity	y shares buy-back A/c Dr. Bank A/c	COMM	50	50
	g payment made for buy-back of equity shares)	213.1	40	200
Tol	Premium payable on buy-back A/c	Water of	dam sympty	40
(Being premi		-	ASSESS TOWN	7
To	ral reserve A/c Dr. Capital Redemption Reserve A/C		10	10
(Being	g creation of capital redemption reserve to the extent of the y shares bought back)			

	Particulars	Notes	7
1	Equity and Liabilities Shareholders' Funds	Control sur all and	
	A Share Capital	1	27,00,00
	B Reserves and Surplus	2	97,00,00
2	Current liabilities		
	A Trade Payables		14,00,00
	Total		1,38,00,00
1	Assets Non-current assets	A STATE OF THE PARTY OF	(D)
	A Property, Plant and Equipment		93,00,00
	B Non-Current Investments	The second second	30,00,00

	Buy Back of Shares	1.13
		200
Cuurent Assets	T-SAR SEVERAL SECTION	MI
A Inventories	Carried September 19	5,00,000
B Trade receivables	Artigita In the Services	2,00,000
C Cash and Cash equivalents	Printed making	8,00,000
Total		1,38,00,000

Mr. Prasad purchased ₹ 2,00,000, 15% Debentures of Reliance industries Ltd. from Mr. Yogesh @ 103, on1-8-2022 on which stamp 2%, taxes 1.5%, Brokerage 1% and legal charges ₹ 50 was Charged. Date of interest 31-3-2022 and 30-9-2022. Calculate cost of purchase of securities and pass journal entries.

SOLUTION

Calculation of Cost of Purchases

Particulars	7
Purchases	2,00,000
Add: stamp duty	4,000
Taxes	3,000
Brokerage	2,000
Legal Charges	50
Cost of Purchases	2,09,050

2.16 Advanced Accounting

Calculation of Period

1-8-2022 to 30-9-2022 is 2 Months

Calculation of Accrued Interest

1,98,000 × 15% × 2/12 = 4,950

Journal Entries

-	Particulars	L/1	f Dr.	Cr.
Date	Investment A/c	Dr.	2,09,050	100000
The same of	To Bank A/c		4,950	2,09,0
DOZ CO.	Interest A/c To Bank A/c	Dr.	4,930	4,95

Analysis of bill discounted by Indian Bank as on 31st March 2022 is as follows:

Amount of the Bill	Due date of the bill	Rate of Interest
2,40,000	6 th June 2022	9%
4,00,000	12th June 2022	10%
3,50,000	6th July 2022	8%
5,00,000	5th August 2022	7%

Calculate rebate on bills discounted as on 31.3.2022

(BU B. Com Dec 2015)

3.8 Advanced Accounting

SOLUTION

Computation of Rebate on Bills Discounted

		THE RESERVE OF THE PERSON NAMED IN	Rate	Kebate
Due Date	Days Beyond 31.3.2022	Amount	9%	
	67	2,40,000		3,96
6 th June 2022		4,00,000	10%	8,000
12th June 2022	73	3,50,000	8%	7,519
6th July 2022	98	5,00,000	7%	12,17;
5th August 2022	127	0,00,00		31,661
	Total	they see house I seed .	- 2002/10/06/06/20	31,00

Illustration 3

Less: Re-Insurance Premium Paid

The following particulars related to a life insurance Corporation for the year 31.3.2023

Particulars	0
Premium received during the year	11,33,000
Bonus in Reduction of Premium for 2022-23	7,000
Outstanding Premium on 1.4.2022	87,000
Outstanding Premium on 31.3.2023	1,09,000
Premium Received in advance on 1.4.2022	28,000
Premium Received in advance on 31.3.2023	22,000
Pe-Insurance premium paid for 2022-23	60,000
Find out the amount of premium to be included in Revenue A/c. (Bl	J B.Com Nov. 2015)

Calculation of The premium to be credited to Revenue Account						
Particulars	(3)					
Premium received during the year	11,33,00					
Add: Outstanding premium on 31.3.2023	1,09,00					
Add: Premium received in advance on 1.4.2022	28,000					
Add: Bonus in reduction of premium for 2022-23	7,00					
Add: Bonus in reduction of premium for 2022-25	12,77,000					
Less: Outstanding premium on 1.4.2022	87,000					
Less: Premium received in advance on 31.3.2023	22,00					
Less: Fleihium received in advance on 51.5.2025	co.00					

Net Premium

60,000

11,08,000

Calculate the Premium earned (Net) for the year ended 31st March 2023 from the following in the case of Fire Insurance:

Particulars	*
Premium Received Less Re-Insurance	6,90,000
Premium Outstanding on 1.4.2022	10,000
Premium Outstanding on 31.3.2023	8,000
Reserve for Unexpired risk on 1.4.2022	3,50,000
Additional Reserve on 1.4.2022	40,000

It is the policy of the company to maintain 50% of premium towards reserve for unexpired risks. Reserve for unexpired Risks including additional Reserve at the end of the year is ₹ 4,18,400. (BU Exam Dec 2010)

SOLUTION

Net Premium

And the state of the state of
6,90,000
8,000
6,98,000
10,000
6,88,000
4,18,400
2,69,600
3,50,000
40,000
6,59,600

Note: Reserve for Unexpired Reserve give in the problem no need to calculate the reserve.

During the year ended 31st December 2022 Ivory Investments Ltd., purchased and sold investments as per details below:

31st March purchased 10,000 3% debentures of 100 each of Asbestos Ltd. At ₹ 97, brokerage a stamp dutyamounting to ₹ 25,600. Interest is payable on the debentures on 1st July and 1st January 1st may purchased 10,000, 6% cumulative preference share of 100 each of Andhra Cements Ltd a 95 brokerageand stamp duty being ₹ 24,200. Dividends are payable on 30th June and 31st December 1st July sold 6,00,000 debentures of asbestos Ltd at ₹ 99 per hundred less brokerage etc. 3,600. October purchased a further 4,000, 6% cumulative preference shares 100 of Andhra Cements ltd. A 90 brokerage and stamp duty being ₹ 8,600.

Write up the ledger a/c of the two investments for the year 2022.

SOLUTION

Investment Account

NAME OF	Particulars	Face value	Interest	Investment	Date	Particulars	Face value	Interest	Investme
Date	Paruculais	Face value	7	7	2022	(5) (1) (1) (2)	₹	₹	₹
2022 Mar. 31st	To Cash 9,70,000	10,00,000	12,500 (for 3	9,83,000	THE RESERVE OF THE PERSON NAMED IN	By cash (interest)	6,00,000	25,000	5,90,4
	Add: Brokerage 25,600		months on 10,00,000)	18023	1300	Cash Sold @ 99% 5,94,000	ain's to a	other the	
	9,95,600					Less: Expenses 3,600	No.	and un	
Dec.	To Profit &		1	540		5,90,400	STATE OF THE PARTY.	Marian In	
31*	Loss A/c	17.5	The state of the s		Dec. 31st	By Accrued interest	-	10,000	
Dec. 31*	To Profit & Loss A/c		22,500			(4,00,000 × 5/100 ×	In High arm	The wall of	
	1			No.		6/12) By balance c/d(at cost)	4,00,000	iningha •	3,93,1
	Total	10,00,000	35,000	9,83,540		Total	10,00,000	35,000	9,83,54

Note:

Calculation of profit on sale of debentures on 1-7-2022

Amount realized on sale of debenture (nominal value 6,00,000)	5,90,400
Less: Purchase of ₹ 6,00,000 (9,83,100/ 10,00,000 × 6,00,000)	5,89,860
Profit on cale of dehentures	740

Investment Account (6% cum. preference shares in Andhra Cement Ltd)

Date	Particulars	Face Value	Dividend	Investment	Date	Particulars	Face Value	Dividend	Investment
2022		7	7	7	2022		1	7	7
May 1s	To Cash 9,50,00 Add: brokerage and stamp duty 24,200 =	10,00,000	20,000 (for 4 months o n 10,00,000)	9,54,200	June 30 th	By cash (dividend) (10,00,000 × 6/100 × 6/12)		30,000	Marchaul III Marchaul III Marchaul III Marchaul III
37.5	9,74,000			ela frakciel Stalik famil Britania	Dec. 31#	By cash (dividend) (10,00,000	tento de la composición dela composición de la composición de la composición dela composición dela composición dela composición de la composición dela composición del composición dela composición del composición del composición del composición dela composición dela composició	42,000	
			LANE.	On the		× 6/100 × 6/12)			Jez veznoù
Oct. 1st	To Cash 3,60,000	4,00,000	6,000	3,62,600	Dec. 31st	Balance (at cost) c/d	14,00,000	AUDIO DE	13,16,800
	Add: brokerage 8,600	Cate promote	OL The se	and when	000,3	beautopin	numediae	ET HM ES	01-4-1 HO
197000	=3,68,600	temien 00	Lang sels	g-Q-Si bercen	of roll	SHADO ON	W.Chryger	a delaction	mtil ho
Mar. 31st	To Profit & Loss A/c	Tollin heer	46,000	To mulai	de son		e sumed to		III - L. IST
12-79-79	- 0-10 10	14,00,000	72,000	13,16,800			14,00,000	72,000	13,16,800

Narayana Bank ltd required you to prepare its Balance sheet from the following details:

Particulars	Dr	Cr
Share Capital	AND REAL PROPERTY.	
3,960 equity shares of 10 each	- Contract of the Contract of	3,96,0
Statutory Reserve	1 (6 A 5 A 5 A 5 A 5 A 5 A 5 A 5 A 5 A 5 A	4,62,0
Net Profit before Appropriations	200000	3,00,0
Profit and Loss A/c	September 1	8,24,0
Fixed Deposits	10 10 10 E	10,34,0

Financial Statements of Banking Companies

3.45

Current Account(overdraft)	76,000 51,96,240	51,96,240
Cash creditors	16,24,000	
Cash in Hand	3,20,300	
Cash with RBI	75,760	
Cash with other Banks	3,11,740	
Money at call	4,20,240	
Gold	1,10,460	
Govt. Securities	2,20,340	
Premises	3,11,400	
Furniture	1,40,240	
Term Loans	15,85,760	
Borrowings from other Banks		2,20,000
Bills Payable		20,000
Current Deposits		10,40,240
Savings Deposits	AND STATE OF THE PARTY OF	9,00,000

Adjustments:

- Acceptances and endorsements ₹ 2,82,400
- Claims against Bank not acknowledged as debt ₹ 1,10,000
- Bills for collection ₹ 3,62,000
- Depreciation on Premises ₹ 60,000

(BU B.Com 2012)

Form A

Form of Balance Sheet

Balance sheet of Narayana Bank as on 31st March 2023

Balance sheet of Narayana	Schedule No	₹
Particulars	THE PROPERTY OF	MINE PARTY
I Capital and Liabilities:	1	3,96,000
Capital	2	15,26,000
Reserve and Surplus	3	29,74,240
Deposits	4	2,20,000
Borrowings	5	20,000
Other Liabilities and Provisions	3	51,36,240
Total Capital and Liabilities	A STREET WHEEL	
II Assets	6	3,96,060
Cash in hand and with RBI	7	7,31,980
Cash with Other Banks and Money at Call and Short		
Notice	8	3,30,800
Investment	9	32,85,760
Advances	10	3,91,640
Fixed Assets	11	
Other Assets	11	51,36,240
Total Assets	12	3,92,400
Contingent Liabilities Bills for collection	12	3,62,000

Working note for Schedules

Schedule 1: Capital

Particulars	7
Share capital	3,96,000
3,960 equity share of 10 each	
Total Capital	3,96,000

Schedule 2: Reserves and Surplus

Particulars		7
Statutory Reserve (2,40,000 × 25%)		60,000
Add: existing reserve		4,62,000
		5,22,000
Profit and Loss Account		100.8
Balance b/f	8,24,000	
Current years profit	1,80,000	10,04,000
Total Reserve and Surplus		15,26,000

Schedule 3: Deposits

Particulars	THE PERSON NAMED IN
Fixed Deposit	10,34,000
Saving Bank Deposit	9,00,000
Current Deposit	10,40,240
Total Deposits	29,74,240

Schedule 4: Borrowing

2
2,20,000
2,20,000

Schedule 5: Other Liabilities and Provisions

Particulars	7
Bills payable	20,000
Total other Liabilities and Provisions	20,000

Schedule 6: Cash in Hand and with RBI

Particulars	-
Cash in Hand	3,20,300
Cash at RBI	75,760
Total	3,96,060

Schedule 7: Cash with other Bank and Money at Call and Short Notice

Particulars	7
Money at Call	4,20,240
Cash with other Bank	3,11,740
Total	7,31,980

Schedule 8: Investment

Particulars	7
Investment in Government securities	2,20,340
Gold	1,10,460
Total	3,30,800

Schedule 9: Advances

Particulars	7
Current accounts (overdraft)	76,000
Cash credits	16,24,000
Term loans	15,85,760
Total	32,85,760

Schedule 10: Fixed Assets

	Particulars	
Furniture		1,40,240
	3,11,400	
Premises	60,000	2,51,400
Less: Depreciation		3,91,640
The second of the second	Total	3,71,010

Schedule 12: Contingent Liabilities

Delicum-	The state of the s
Particulars	and the same of the same of
O. F. Jansamont	2,82,400
Acceptances & Endorsement	1,10,000
Claims against banks	3,92,400
Total	3,72,100

Working Note:	
The balance of profit is ascertained as follows: Current year's profit as give	3,00,000
Less: Depreciation on premises	60,000
Profit for appropriation	2,40,000
Less: Transfer to Statutory reserve - 25%	
(2,40,000 × 25%) Total	1,80,000

COMPLIMENTARY COPY NOT FOR SALE

The following is the trial balance extracted from Grand Life Insurance Company Ltd as on 31-03-2023 You are required to prepare Revenue A/c and Balance Sheet.

	Particulars	Dr.	Cr.
Share Capital Life Assurance Fund	ensitta usa	sel ne siye	3,20,00
Life Assurance Fund		100	59,44,600
Dividend paid	Proper/Sourcement (B) LanuT	30,000	
Interest & Dividend received		014	2,25,400
Premium received			2,03,000
Surrenders	Couldy (closing net liability opening net trability)	14,000	Mar di squast.
Claims paid	(D) larel	3,94,000	
Commission paid		18,600	TI (U) SDIVE SHE
Management evpenses		64,600	to us department in
Bages in India	Titled surrection	9,84,400	to at the last
"gents" balances	The state of the s	18,600	Mariance being
reehold premises		80,000	
CSUmente		46,10,000	Constitution of the last
Loan on com-		3,47,200	
Cash deposits	Schedule 1 - Prendunt Barned	54,000	
agu in hand		14,600	SAL THURSDAY
Bonus to policyholders		63,000	manufact.
ynoiders	Total 6	6,93,000	66,93,000

Advanced Accounting

Additional information:

- a. Claims admitted but not paid ₹18,600
- b. Premium outstanding ₹24,000
- c. Interest accrued ₹1,88,600
- d. Management expenses due ₹400

Hint: Dividend paid ₹ 30,000 shall be shown as an appropriation in the P & L A/c and the amount equivalent to it shall be considered as the amount transferred from Revenue A/c to Shareholders A/c.

Revenue Account for the year ending 31st March, 2023 Policyholders" Account (Technical Account)

Particulars	Schedule No.	,
Premium Earned (net)	10	- Indiana
a. Premium	1	2,27,000
b. Reinsurance ceded		2,27,000
c. Reinsurance accepted		
Income from investments (gross):	and transfer of the	LU A LES
Interest, dividend & rent (2,25,400+1,88,600)		4,14,000
Other incomes:	estaines	in-agin.
Total (A)	627	6,41,000
Commission	2	18,600
Operating expenses related to insurance	3	65,000
Provision for Doubtful Debts	dusquag or text	55,00
Bad Debts written off (Reassurances irrecoverable)		
Income tax/Provision for Taxation		
Other provisions		
Total (B)		83,600
Benefits paid (net)	1	4,89,600
Interim bonus paid	State of Person	2,00,000
Change in valuation of net liability (closing net liability opening net liability)	Dev.	
Total (C)		4,89,600
Surplus (D) i.e., A – (B+C)		67,800
Appropriations:		01,00
Transfer to shareholders (Dividend paid)		30,000
Fransfer to other reserves		30,00
Balance being funds for future appropriations		37,800
- Proprietoria		411

Schedules

Schedule 1 - Premium Earned

Premium received	- Tomium Earned	2,03,000
Premium outstanding		24,000
OBD SC DA LOSS SC NA	Total	2,27,000

Schedule 2 - Commission

Commission paid Schedule 3 – Operating Expenses	18,600
	64,600
Management expenses due Management expenses due Total	400
Schedule 4 - Benefits paid	65,000
Surrenders	14,000
Claims paid	3,94,000
Bonus to policyholders Claims admitted but not paid	63,000
	18,600
Total	4,89,600

Profit and Loss Account for the year ending 31st March, 2023 Shareholders' Account (Non-Technical Account)

Particulars	1
Amounts transferred from/to the Policyholders Account (Technical Account) Income from investments	30,000
Other incomes	of anti-fin
Total (A)	30,000
Expenses other than those directly related to the insurance business Bad debts written off	- Lucio
Provisions (other than taxation)	
Total (P)	Harvin In.
Profit/Loss before tax Provision for taxation	30,000
To St. II and Standard	30,000
Appropriations Balance at the beginning of the year Interim dividends paid during the year Proposed final dividend Dividend dividend	30,000
Dividend distribution tax Transfer to reserves and other accounts Profit carried to balance sheet	0.0 2.510
Total	30,000

Balance Sheet as at 31st March, 2023

	Balance Sneet as at 31 Ma	Schedule	त
Sources of funds	Particulars	Series and Series and	A STATE OF THE PARTY OF THE PAR
Sharehold			Application and the second
Shareholders Funds Share Capital		A STATE OF THE PARTY AND ADDRESS OF THE PARTY	ed englishmen and
Rescapital		5	3,20,000
Reserves and Surplus		6	59,44,600
Fair value change A/c			-
BE A/C			62,64,600
	Sub-total		

Borrowings (debentures, fixed deposits accepted, bank loans, etc.)	7	
Sub-total Sub-total		
Policyholders Funds		
Fair value change A/c	-	
Policy liabilities		by particular in
Insurance reserves	AUTO ESPATE	The Street of the last
Provision for linked liabilities		
Sub-total		
Funds for future appropriations		37,80
Total		63,02,40
Application of funds	preble.	fuelfrie er
Investments	Marie Con	
Shareholders	8	46,10,00
Policyholders	8A	
Assets held to cover linked liabilities	8B	
Loans	9	13,31,60
Fixed Assets	10	80,00
Current Assets:	o think horse	
Cash and Bank balances (54,000+14,600)	11	68,600
Advances and other assets (18,600+24,000+1,88,600)	12	2,31,200
Sub-total (11+12) = (A)		2,99,800
Current Liabilities:(18,600+400)	13	19,000
Provisions	14	Print on land diff.
Sub-total (13+14) = (B)	NAME OF STREET	19,000
Net current assets (C) = (A-B)		2,80,800
Miscellaneous Expenditure	15	SEL MI
Profit & Loss A/c (Debit balance in shareholders account)	and and	TAIN .
Total		63,02,400

Contingent Liabilities

3.8 Six Marks Questions (Skill Development Question)

Prepare a table on bills discounted with imaginary figures.

Amount of Bills (₹)	Due Date	Rate of Interest
60,000	31-07-2023	14% p.a.
65,000	30-06-2023	12% p.a.
1,00,000	31-05-2023	15% p.a.
85,000	31-08-2023	16% p.a.

SOLUTION

Statement showing rebate on bills discounted

Due date	No. of days after 31-3-2023	Working	Rebate on bills discounted (₹)
31-07-2023	30+31+30+31=122	(60,000 × 14% × 122/365)	2,808
30-06-2023		(65,000 × 12% × 91/365)	1,945
31-05-2023	The Control of the Co	(1,00,000 × 15% × 61/365)	2,507
31-08-2022		(85,000 × 16% × 153/365)	5,701
7	otal rebate on bills discounted		12,961

1. Prepare a schedule of premiums with imaginary figures in respect of Life Insurance Company.

Particulars Particulars	(3)
Premium received during the year Add: Outstanding premium on 31.3.2023	10,00,000
Add: Outstanding premium on 31.5.2023	1,00,000
Add: Premium received in advance on 1.4.2022	2,00,000
Add: Bonus in reduction of premium for 2022-23	2,00,000
Add: Re-Insurance Premium Received	1,00,000
EX-SEQL and havened	16,00,000
Less: Outstanding premium on 1.4.2022	2,00,000
Less: Premium received in advance on 31.3.2023	4,00,000
Net Premium	10,00,000