

NOVEMBER/DECEMBER 2018

MCM23 — ADVANCED ACCOUNTS

Time : Three hours

Maximum : 75 marks

SECTION A — (5 × 6 = 30 marks)

Answer ALL questions.

1. (a) On 31st March 2016, Bharat commercial bank Ltd. funds its advances classified as follows :

	Rs.
Standard assets	14, 91,300
Sub Standard assets	92,800
Doubtful assets (secured)	
Doubtful for one year	25,600
Doubtful one year to 3 year to	15,640
Doubtful for more than 3 years	6,850
Loss assets	10,350

Calculate the amount of provision to be made by the bank against the above mentioned advances.

Or

7. From the following balances extracted from the books of the L.I.C as 31.3.2016, prepare a Revenue A/c for the ending 31.3.2016 in the prescribed form

Particulars	Rs.
Claims by death	3,30,000
Claims by maturity	2,15,000
Agents & Canvasser's allowance	26,500
Salaries	44,200
Traveling expenses	1,200
Directors fees	8,700
Auditor's fees	1,000
Medical fees	52,000
Commission	2,18,000
Rent	2,800
Law charges	200
Advertising	4,300
Bank charges	1,500
General charges	2,000
Surrenders	47,500
Life Assurance fund (1.4.15)	63,31,000
Premiums	20,65,000
Bonus in reduction of premiums	1,000
Income tax on interest and Dividends	5,700
Printing and stationery	13,900

Particulars	Rs.
Postage and telegrams	14,300
Receipt stamps	2,300
Reinsurance premiums	40,950
Interest and Dividend	2,72,000
Policy renewal fees	9,600
Assignment fees	540
Endowment fees	690
Transfer fees	1,400

Provide Rs. 1,500 Thousands for depreciation of furniture and Rs. 2,20,000 for depreciation on investments.

8. From the balance sheets and information given below, prepare a Consolidated Balance

	H Ltd.	S Ltd.		H Ltd.	S Ltd.
	Rs.	Rs.		Rs.	Rs.
Share capital :			Sundry assets	80,000	12,000
Rs. 10 fully paid	1,00,000	20,000	Stock	61,000	24,000
Profit and loss a/c	40,000	12,000	Debtors	13,000	17,000
Reserve	10,000	6,000	Bills receivable	1,000	
Bills payable		3,000	Shares in S Ltd.		
Creditors	20,000	12,000	at cost	15,000	
	<u>1,70,000</u>	<u>53,000</u>		<u>1,70,000</u>	<u>53,000</u>

- (b) Discuss the Accounting System of Banking Company. What are the Books to be maintained by Banks?

2. (a) What are Functions of IRDA.

Or

- (b) What do you mean by general insurance and what are its types?
3. (a) Discuss various points to be considered while preparing consolidated balance sheet.

Or

- (b) Explain Cost of Control and its Method of computation.
4. (a) Elaborate the Disadvantages of Inflation Accounting.

Or

- (b) Explain the steps in Finalising Accounts under Current Purchasing Power (CPP) Method of Inflation accounting.
5. (a) Define Human Resource Accounting.

Or

- (b) Explain the various approaches for the valuation of Human Resources.

- (a) All the profits of S Ltd. have been earned since the shares were acquired by H Ltd. but there was already the Reserve of Rs. 6,00,000 on that date.
- (b) The bills accepted by S Ltd. are all in favour of H Ltd. which has discounted Rs. 2,000 of them.
- (c) Sundry assets of S Ltd. are undervalued by Rs. 2,000.
- (d) The stock H Ltd. includes Rs. 5,000 bought from S Ltd. at a profit to the latter of 25% on cost.
9. Elaborate the arguments in favour of CPP
10. Discuss the Development of HRA systems in Indian Organizations.

SECTION B — (3 × 15 = 45 marks)

Answer any THREE questions.

6. From the following information relating to Lakshmi bank Ltd, prepare the profit and loss a/c for the year ended 31 December, 2016.

	(Rs.)
Rend received	72,000
Exchange and commission	32,800
Interest on fixed deposits	11,00,000
Interest on saving bank A/c	2,72,000
Interest on overdrafts	2,16,000
Discount on bills discount	7,80,000
Interest on current accounts	1,68,000
Interest on cash credits	8,92,000
Depreciation on bank property	20,000
Salaries and allowances	2,18,800
Postage	5,600
Sundry Charges	4,000
Director' & Auditor's fees	16,800
Printing	8,000
Law Charges	3,600
Locker Rent	1,400
Transfer Fees	2,800
Interest on loans	10,36,000