

**Goa Vidyaprasarak Mandal's**  
**GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE AND**  
**ECONOMICS, PONDA-GOA**  
**B.COM. CBCS (SEMESTER- IV) SUPPLEMENTARY EXAMINATION,**  
**MAY/JUNE 2019**

**ACCOUNTING FOR SERVICE ORGANISATIONS**

**Duration: 2 hours**

**Marks: 80**

**INSTRUCTIONS**

1. Q. No. 1 is compulsory.
2. Answer any **THREE** questions from Q.No. 2 to Q.No. 6.
3. Figures to the right indicate full marks.

Q1. Bhavaniprasad Ltd. made a public issue of 1000000 equity shares of ₹ 100 each at a premium of ₹ 50 per share. The entire amount was payable on application. The entire issue was underwritten by three parties B, M and W in the proportion of 50%, 25% and 25% respectively. Underwriting commission at 2.5% was payable on amount underwritten. B, M and W had also agreed on firm underwriting of 15000, 10000 and 10000 shares respectively. The total subscription, excluding firm underwriting but including marked applications were 740000 shares. Marked applications received were; B: 20000, M: 10000 and W: 10000.

Ascertain the liabilities of underwriters and pass necessary journal entries for the above transactions. (20)

Q2. From the following particulars of Birbal Bank Ltd, prepare the Balance sheet as on 31<sup>st</sup> March 2019 in the prescribed form. (20)

Particulars	Amount (₹)	Particulars	Amount (₹)
Authorized capital	20,00,000	Reserve fund	15,00,000
Subscribed capital 10000 shares of ₹ 100 each	10,00,000	Letters of credit issued	2,50,000
Investments	35,00,000	Bills payable	4,00,000
Bills purchased and discounted	80,00,000	Bank drafts payable	6,00,000
Profit and Loss A/c (cr.)	4,25,000	Borrowings	2,30,000
Bills for collection	50,000	Rebate on bills discounted	5,000
Acceptances for customers	25,00,000	Loans and advances	50,00,000
Money at call and short notice	45,00,000	Cash credit	50,00,000
Cash in hand	10,00,000	Bank overdrafts	5,00,000
Cash with RBI	20,00,000	Current deposits	50,00,000
Cash with SBI	20,00,000	Fixed deposits	2,00,00,000
Premises	7,10,000	Saving deposits	30,00,000
		Investment fluctuation fund	50,000

Q3. Following is the trial balance of hotel M as on 31<sup>st</sup> March 2019. (20)

Particulars	₹ (dr)	₹ (cr)
Kitchen equipment	20000	
Land and building	100000	
Furniture	10000	
Stock on 1 April 2018	100000	
Insurance	2000	
Printing and stationery	2150	

Purchase of provisions	300000	
Collection from visitors		500000
Office equipment	20000	
Wages	10000	
Salaries	40500	
Cutlery, crockery and linen	45850	
Bank balance	77300	
Capital:		
Viru		190000
Jay		90000
Repairs and renewals	15000	
Bad debts	500	
Postage and telephones	9000	
Visitors ledger	20000	
Cash balance	20000	
Gas and electricity	5000	
Drawings:		
Viru	30000	
Jay	20000	
Suppliers a/c		50000
Discount received		300
Provision for doubtful debts		1000
Visitors ledger		16000
<b>TOTAL</b>	<b>847300</b>	<b>847300</b>

Additional information:

1. Closing stock of provisions ` 14000.
2. Write off ` 900 as bad debts and make a provision for bad debts 6%.
3. Collection from visitors ` 2000 was not recorded in the books.
4. Cost of staff meals amounted to ` 10000.
5. Provide interest on capital @5% per annum.
6. Partners are entitled to salaries ` 10000 and ` 17000 respectively .

Prepare trading and Profit & loss a/c and Profit & loss appropriation a/c for the year ended 31<sup>st</sup> March 2019 and Balance sheet as on that date.

Q4. From the following figures taken from the books of Hercules Insurance Ltd, you are required to prepare revenue account and Profit and loss account for the year ended 31<sup>st</sup> March 2019 along with relevant schedules. (20)

<b>Particulars</b>	<b>Amount</b>	<b>Particulars</b>	<b>Amount</b>
	( <b>₹</b> )		( <b>₹</b> )
Share capital	3,20,000	Loan (Dr)	9,75,000
Balances of fund (as on 1/4/2018)	8,00,000	Sundry debtors	25,000
Unclaimed dividend	8,500	Government securities	10,20,000
Amount due to other insurance companies	34,500	Claims paid	4,50,000
Sundry creditors	72,500	Premium	17,62,500
Profit and loss a/c (Cr)	80,400	Income from investment	58,500
Agent's balances (Dr)	1,35,000	Commission	5,00,000
Cash in hand	3,500	Share transfer fees	1,000
Balance with bank	74,800	Provision for bad debts	11,700
Furniture and fixture	58,000	Reinsurance premium	62,500
Stock	1,400	Outstanding claim on 1/4/2018	1,65,000

Expenses of management	2,80,000	Outstanding premium	82,000
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**Pg 3 of 4**

The following further information may also be considered:

- a. Provision for unexpired risk is to be made at 50%
- b. Transfer to general reserve `10,000
- c. Outstanding claims as on 31<sup>st</sup> March 2019 ` 2,00,000.
- d. Provision for taxation at 50%
- e. Proposed dividend at 20%

Q5. From the following details, prepare the balance sheet of Vishal Insurance Co. Ltd carrying on marine insurance business for the year ended 31<sup>st</sup> March 2019. **(20)**

Particulars	Amount	Particulars	Amount
Equity share capital	15,00,000	Rent paid	8,600
Marine fund (1/4/18)	7,60,000	Advance tax payment	62,000
Unclaimed dividend	2,400	Sundry debtors	9,200
Profit and loss a/c (Cr)	2,40,000	Government of India securities	9,20,000
Sundry creditors	12,600	Debentures of public	1,80,000
Agents' balances (Dr)	1,46,400	Shares invested in ltd. Companies	3,60,000
Interest accrued not recd.	8,200	government securities	8,80,000
Due to re insurance	60,000	Claims less reinsurance	10,60,000
Furniture and fixture	8,400	Premium less reinsurance	12,40,000
Stock of stationery	2,500	Commission paid	62,400
Expenses of management	2,20,000	Interest and dividend	2,40,000
Rates and taxes	12,300	Transfer fee received	600
Outstanding premium	21,200	Cash and bank balance	94,400

Additional information:-

- a. Outstanding claims on 31<sup>st</sup> March 2019 was `1,40,000.
- b. Provide depreciation on furniture ` 2,100.
- c. Profit & Loss a/c (dr) as on 31<sup>st</sup> March 2019 was ` 2,64,800.

Q6. From the following information prepare the profit and loss account of HDFC bank Ltd. for the year ended 31-3-2019. **(20)**

Particulars	Amount (₹)
Interest on loans	2,50,000
Interest on fixed deposits	2,75,000
Commission received	5,000
Interest on bills	50,000
Rent received	5,000
Exchange and brokerage	20,000
Salary and allowances to employees	1,50,000
Discount on bills (gross)	1,52,000
Audit fees	10,000
Interest received on cash credits	2,40,000
Taxes and licenses	10,000
Interest on temporary overdraft in current accounts	30,000
Rent paid	15,000
Sundry expenses	15,000
Interest on saving bank deposits	87,000
Interest earned on balances held with other banks	10,000
Postage, telephone and telegrams	20,000

Printing and stationery	20,000
Salary to managing director	30,000

**Pg 4 of 4**

Additional information:

1. Rebate on bills discounted is ` 30,000.
2. Bad debts to be written off ` 40,000.
3. Provide for taxation ` 34,000.
4. Interest of ` 4,000 on doubtful debts were wrongly credited to interest on Loan a/c.

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