

Goa Vidyaprasarak Mandal's
GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE AND ECONOMICS
FARMAGUDI, PONDA - GOA
B.Com. CBCS (SEMESTER-IV) ENDEXAMINATION, APRIL/ MAY 2023
ACCOUNTING FOR SERVICE ORGANIZATION

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.
4. Working notes should form a part of the answer wherever necessary.

Q.1.

(20 Marks)

From the following information you are required to prepare the Profit and loss A/c of the State bank of India for the year ended 31st March 2023, under the provisions of the Act applicable thereto

Particulars	Amount (₹)
Income from investment	1,15,000
Advertisement and publicity	95,000
Interest and discount	12,25,000
Directors fees	2,20,000
Interest on balance with RBI	3,60,000
Profit on sale of investments	1,20,000
Commission, exchange and brokerage	10,40,000
Rent	2,10,000
Law charges	2,30,000
Postage, telegram and telephone	1,40,000
Interest on saving deposits	1,00,000
Printing and stationery	1,80,000
Salary of managing director	1,84,000
Interest to RBI	3,22,000
Auditor's fees	120,000
Depreciation	10,44,000
Repairs and maintenance	96,000
Interest on cash credit	34,37,000
Transfer fees	10,000
Interest on fixed deposits	2,50,000
Other expenditure	10,000

Additional information:

- a. Provision during the year for doubtful debts ₹ 1,95,000.
- b. Provision for tax during the year ₹ 80,000.
- c. Loss on sale of investments ₹ 32,000.
- d. Rebate on bills discounted ₹ 58,000.
- e. 20% of profit is transferred to statutory reserve.
- f. 5% of profit is transferred to revenue reserve.
- g. Profit brought forward from year ₹ 50,000.

Q. 2.**(20 Marks)**

The trial balance of Syndicate Bank as on 31st March 2023 stood as follows:

Particulars	Debit (₹)	Particulars	Credit (₹)
Cash credit	2,47,630	Share capital (5940 equity shares of ₹ 10 each fully paid up)	59,400
Term loans	2,37,864	Statutory reserve (opening balance)	77,300
Cash with RBI	15,480	Recurring deposit	51,000
Money at call and short notice	63,036	Current accounts	1,56,036
Cash in hand	46,130	Borrowings from other banks	32,730
Government securities	73,050	Profit and loss (opening balance)	1,23,600
Cash with other banks	26,562	Saving deposits	1,25,000
Gold	12,568	Bills payable	300
Current account	12,400	Fixed deposits	1,14,100
Premises	24,710	Net profit for the year	37,000
Furniture	17,036		
	<u>7,76,466</u>		<u>7,76,466</u>

Adjustments:

1. Depreciation charged during the year premises ₹ 889 and furniture ₹ 1144.
2. Claims against the bank not acknowledged as debts ₹ 90.
3. Bills for collection ₹ 3060.
4. Acceptances and endorsements ₹ 2024.

Prepare the balance sheet of the bank in the prescribed form.

Q.3.**(20 Marks)**

From the following details, prepare the Revenue Account and Profit and Loss Account of Pratidnya Insurance Co. Ltd., carrying on Marine Insurance Business for year ended 31st March 2023:

Particulars	Amount (₹)	Particulars	Amount (₹)
Equity Share Capital (₹10)	20,00,000	Donations paid	7,300
Balance of Marine Fund as on 1.4.2022	7,20,000	Claims less reinsurance	10,50,000
Outstanding premium	20,000	Government of India securities	5,00,000
Stock of stationary	800	Debtors	5,000
Profit and Loss Accounts (Cr.)	3,00,000	Premium less reinsurance	20,99,000
Furniture and Fixtures	8,200	Commission Paid	60,800
Expenses of Management	2,20,000	Interest and Dividends	1,50,000
Foreign Taxes and Insurance	12,300	Transfer Fees Received	200
Agents balance (Dr.)	90,400	Cash and Bank Balances	94,400
Unclaimed dividend	1,000	Debentures of public bodies	50,000
Creditors	10,000	Advanced tax payment	40,000
Interest Accrued but not due	2,000	Shares in limited company	90,000

P.T.O

Additional information:

1. Income tax to be provided @ 40%.
2. Reserve for unexpired Risk is to be maintained @ 50%.
3. Outstanding claims on 31.3.2023 was ₹ 1,20,000.
4. Transfer to general reserve ₹ 50,000.
5. Depreciation on Furniture should be provided ₹ 1,900.

Q.4.A

(15 Marks)

Reliance Ltd. was incorporated on 1st January 2023 issued a prospectus inviting applications for 10,00,000 equity shares of ₹10 each at premium of 10%.

The whole issue was fully underwritten by Earth, Mars, Jupiter and Saturn as follows:

Earth : 4,00,000 Shares

Mars : 3,00,000 Shares

Jupiter : 2,00,000 Shares :

Saturn : 1,00,000 Shares

Applications were received for 9,00,000 Shares of which marked applications were as follows:

Earth : 4,40,000 shares

Mars : 1,80,000 shares

Jupiter : 2,20,000 shares

Saturn : 20,000 Shares

It was agreed that underwriters be paid commission at 5% on the issue price.

You are required to

- 1) Prepare a statement showing the liability of individual underwriter.
- 2) Give necessary journal entries in the books of the company

Q.4.B Explain the different types of underwriting in shares and debentures.

(5 Marks)

Q.5.

(10 Marks)

From the following trial balance of Taj Hotel prepare a Trading and Profit and Loss Account for the year ended 31.3.2023 and a Balance Sheet as at that date.

Particulars	Dr. (₹)	Cr. (₹)
Leasehold Premises	2,10,000	
Receipts from visitors		7,04,920
Fuel and light	19,280	
Rates	12,330	
Advertisement expenses	14,400	
Capital		4,98,000
Purchases	2,25,520	
Cutlery	28,540	
Salaries and wages	2,00,220	
Gas and electricity	8,000	
Carriage inward	6,800	
Furniture and Fittings	1,48,600	
Bad Debts	4,300	
Drawings	30,600	
Cash at Bank	87,500	
Repairs and renewals	9,000	

Visitors Ledger balances	26,300	
Creditors		25,000
Loan	1,60,000	
Postage and telegram	12,330	
Opening Stock	25,000	
Provision for bad debts		800
	<u>12,28,720</u>	<u>12,28,720</u>

Additional information:

- a) Stock on 31.3.2023 ₹ 18,900.
- b) Treat ₹ 3,400 of the advertising as paid in advance.
- c) Provide for outstanding loan interest ₹ 8,000
- d) Provide for depreciation:
 - i. Furniture and fittings 10%
 - ii. Leasehold Premises ₹ 6,000
 - iii. Cutlery were revalued at ₹ 25,000
- e) Increase provision for bad debts to ₹ 1000 and create a provision for discount received equal to 2% on creditors.

Q.6. Answer the following

(4x5=20 Marks)

- I. Explain the different types of deposits accepted by the bank.
- II. Explain the concept of reinsurance ceded.
- III. Explain marked application.
- IV. Explain the services offered by the hotels.
