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CS – 285

V Semester Examination, March 2023
(CBCS) (2016 – 17 and Onwards) (F+R)
COMMERCE

5.5 : Elective (Paper – I) : Advanced Accounting

Time : 3 Hours

Max. Marks : 70

Instruction : Answer should be written **completely** either in **English** or in **Kannada**.

SECTION – A

1. Answer **any five** sub-questions from the following. **Each** sub-question carries **two** marks. (5×2=10)
- a) What is meant by Non-performing asset ?
 - b) State unexpired risk reserve rate to life insurance and general insurance
 - c) State the methods of inflation accounting.
 - d) What do you understand by cum-dividend securities ?
 - e) Expand : IRDA.
 - f) Mention any two objective of farm accounting.
 - g) State any four Monetary Assets.

SECTION – B

Answer **any three** questions from the following. **Each** question carries **6** marks. (3×6=18)

2. Calculate Rebate on bill discounting of Swasthik Bank Ltd. From the following details as on 31-3-2020 the details of bills.

Sl.	Due date	Bills amount (₹)	Rate of Discount
1	on 30-6-2020	2,00,000	12%
2	on 01-8-2020	2,00,000	10%
3	on 31-8-2020	5,00,000	6%

P.T.O.



3. From the following particulars prepare the Fire Revenue Account for the year ending 31.3.2022.

Particulars	₹
Claims paid	8,00,000
Claims unpaid on (1.4.2021)	70,000
Claims unpaid on (31.3.2022)	1,30,000
Legal expenses regarding claims	20,000
Premium received	22,00,000
Re-insurance premiums	2,00,000
Commission	3,00,000
Management expenses	5,00,000
Provision against unexpired risk on (1-4-2021)	9,00,000
Commission on Re-insurance ceded	80,000
Bad debts	10,000

4. Classify the following into Monetary and Non-monetary Assets.

- a) Cash in hand
- b) Investment
- c) Creditors
- d) Debentures
- e) Buildings
- f) Bank loan.



5. Prepare a crop account of farmer.

Particulars	Amount (₹)
Opening Stock :	
a) Grains	4,000
b) Seeds and Fertilizers	9,000
Purchases :	
a) Seeds	3,000
b) Fertilizers	6,000
Sale of grain	40,000
Grain distributed as wages	3,000
Wages paid in cash	2,000
Grains consumed by proprietor	3,000
Repairs and maintenance	1,000
Crop insurance	500
Electricity Bill	500
Closing Stock :	
a) Grains	5,000
b) Seeds and Fertilizers	5,000

6. State the advantages and disadvantages of inflation accounting.

SECTION – C

Answer **any three** questions from the following. **Each** question carries 14 marks.

(3×14=42)

7. From the following Trail Balance of Sira Bank Ltd. Prepare Profit and Loss Account for the year ending 31-3-2022 and Balance sheet as on that date.

Particulars	Debit (₹)	Credit (₹)
10,000 Shares of ₹100 each	—	10,00,000
Money at call and short notice	4,00,000	—
Reserve fund	—	2,50,000
Cash in hand	5,00,000	—



Cash with RBI	1,00,000	—
Fixed deposits	—	11,00,000
Loan and Cash Credit	14,00,000	—
Investments	2,00,000	—
Borrowing from Pavagada Bank	—	2,00,000
Pension fund	—	1,00,000
Unclaimed Dividend	—	50,000
Furniture	80,000	—
Premises	3,20,000	—
Rent	—	10,000
Discount and interest	—	6,00,000
Commission received	—	60,000
Salaries	90,000	—
Interest on deposit	3,10,000	—
Audit fee	8,000	—
Directors fee	7,000	—
Depreciation	9,000	—
Printing and stationery	4,000	—
Sundry expenses	2,000	—
P/L A/c (1-4-2021)	—	60,000
	34,30,000	34,30,000

Adjustments :

- 1) Provide ₹ 10,000 for rebate on Bills discounted.
- 2) Provide ₹ 20,000 for bad debts.
- 3) Bill for collection ₹ 1,00,000.
- 4) Provision for taxation ₹ 6,000.



9. Prepare cattle account from the following details.

Particulars	No. of cattle	Amount (₹)
Opening stock :		
a) Cattle	200	1,00,000
b) Cattle feed	—	50,000
Purchases :		
a) Cattle	250	2,00,000
b) Cattle medicine	—	50,000
c) Cattle feed	—	10,000
Insurance	—	15,000
Depreciation on cattle shed	—	10,000
Sale of cattle	300	3,00,000
Sale of slaughter cattle	20	50,000
Sale of carcasses	10	5,000
Closing stock :		
a) Cattle	150	1,00,000
b) Cattle feed	—	10,000
c) Cattle medicine	—	5,000

Adjustments :

- 1) The crop grow ₹ 10,000 was used in cattle division.
- 2) Cattle rearing expenses ₹ 20,000.

10. A) Mr. Dorebabu sold 400 equity shares of ₹ 10 each @ 12 per share and the brokerage there on was 2%. He purchase immediately 450 shares of Biocon Co. Ltd. ₹ 10 each and paid brokerage there on 2%. Ascertain the cash left with Mr. Dorebabu.

B) Write the characteristics of farm accounting.