



THE AMERICAN COLLEGE, MADURAI

(An Autonomous Institution Affiliated to Madurai Kamaraj University)
Re-accredited (2nd Cycle) by NAAC with Grade "A", CGPA – 3.46 on a 4-point scale

Backlog Arrear Examination, March 2021

CMC 3631

HIGHER ACCOUNTING

Time: 3 Hrs.

Marks: 75

Answer any FIVE of the following questions

(5*15=75)

1. From the following information, prepare Profit and Loss Account of Yello Bank Ltd. for the year ended 31-3-2014.

	Lakhs
Interest on Loans	25.90
Interest on Fixed Deposits	27.50
Commission	0.82
Rebate on Bills Discounted	4.90
Salaries and Allowances	5.40
Discount on Bills Discounted (Net)	14.60
Interest on Cash Credit	22.30
Depreciation on Bank's Property	4.00
Rent and Rates	1.80
Interest on Overdraft	15.40
Director's Fees	0.30
Audit Fees	0.50
Interest on Saving Deposits	6.80
Postage	0.14
Printing and Stationery	0.29
Sundry Expenses	0.15

Bad debts to be written off amounted to 3.80 lakhs. Provision for taxation may be made at 35%. Transfer 20% of profits to Statutory Reserve and provide 3 lakhs for dividends.

2. The following balances extracted from the books of LIC as on 31 3 06. Prepare revenue account for the year ending 31 3 2006 in the prescribed form

Claims by death	3,30,000	Life Assurance fund(1.4.05)	63,31,000
Claims by maturity	2,15,000	Premiums	20,50,000
Agents and Canvas allowance	26,500	Bonus in reduction of	
Salaries	44,200	premiums	1,000
Travelling expenses	1,200	Income tax on interest	
Director's fees	8,700	and dividend	5,700
Audit fees	1,000	Stationery	13,900
Medical fees	52,000	Postage and telegram	14,300
Commission	2,18,000	Stamps (receipt)	2,300

Rent	2,800	Re insurance premiums	40,950
Law charges	200	Interest and dividend gross	2,72,000
advertising	4,300	Policy renewal fees	9,600
Bank charges	1,500	Assignment fees	540
General Charges	2,000	Endowment Fees	690
Surrenders	47,500	Transfer fees	1,400

Provide Rs.1500 for depreciation of furniture and Rs. 2,20,000 for depreciation on investments

3. Explain how would you to calculate the following?
 - a. Cost of Control
 - b. Minority interest
4. Enumerate the Difference between double account system and single account system
5. From the following particulars as on 31.03 2000, Prepare the Revenue A/c, Net Revenue A/c, Capital A/C and General Balance Sheet of ABCD Ltd.

Balance as on 1-4 -99		Expenses of management	14400
Land	180000	Cost of distribution	6000
Machinery	720000	Depreciation	24000
Trains	240000	Sale of power	156000
Expenditure During the year		Meter rent	6000
Land	6000	Interest on debenture	12000
Machinery	6000	Interim dividend	24000
Mains	61200	Net revenue account as	
Share capital		on 1-4 -99	34200
Ordinary shares	658800	Depreciation fund	300000
Debentures	240000	Sundry debtors for energy	
Sundry creditors	1200	supplied	40000
Cost of generation	42,000	Cash balance	6000
Rent rates and Taxes	6000		

6. Calculate rent to be charged per day per room from the following information for a three star hotel at Delhi if Occupancy rate is (a) 100 % and (b) 80 %
 - I. Number of rooms available for Occupancy 50
 - II. Estimated total cost for April 2018 1200000
 - III. Return expected 50 % on cost
7. On 31st December March, 1996 the balance sheets of H Ltd. and its subsidiary S Ltd. stood as follows:

Liabilities	H	S	Assets	H	S
Equity share capital	8,00,000	2,00,000	Fixed assets	5,50,000	1,00,000
General reserve	1,50,000	70,000	75% shares in S Ltd. (at cost)	2,80,000	-

Profit & Loss	90,000	55,000	Stock	1,05,000	1,77,000
Creditors	1,20,000	80,000	Other current assets	2,25,000	1,28,000
	11,60,000	4,05,000		11,60,000	4,05,000

Draw a consolidated balance sheet as at 31st March, 1996 after taking into consideration the following information:

- I. H Ltd. acquired the shares on 31st July, 1995.
- II. S Ltd. earned profit of Rs. 45,000 for the year ended 31st March 1996.

In January 1996 S Ltd. sold to H Ltd. goods costing Rs.15, 000 for Rs. 20,000. On 31st march 1996 half of these goods were lying as unsold in the godown of H Ltd.