



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

COM/CME 3631/CME 3422/COM 3521

HIGHER ACCOUNTING

Max Marks: 75

Answer Any FIVE of the Following

5X 15 = 75

1. Arun filed his petition on 31st December 1989 and his statement of affairs was composed of the following figures:

	Rs.
Creditors for goods	75,000
bills payable	5,000
Creditors secured by lien on shares	40,000
Creditors secured by lien on stock	15,000
Liability in bills discounted, estimated to rank Rs.3,000	7,000
Mortgage on mill	10,000
Creditors payable in full	3,000
Book debts:	
Good	20,000
Doubtful and bad (estimated to produce Rs.2,000)	10,000
Consignments considered good	5,000
Shares, estimated to realise Rs.16,000	15,000
Stock, estimated to realise Rs.40,000	60,000
Cash at Bank	100
Bill of exchange	1,400
Mill, estimated to realise Rs.11,000	20,000
Machinery, estimated to realise Rs.12,000	15,000
Fixtures, estimated to realise Rs.1,500	3,000
Cottage, estimated to realise Rs.3,000	6,800

On 1st January, six years ago, he had a capital of Rs.50,000. Profits were made totalling Rs.45,000 in the first four years and losses were incurred totalling Rs.25,000 in the last two years after allowing Rs.2,500p.a. Interest on capital. Withdrawals amounted to Rs.77,200. Prepare his Statement of Affairs and Deficiency A/c.

2. The following is the trail balance of a banking company as on 31.12.1994.

Particulars	Rs.	Particulars	Rs.
Loans and advances	2,385	Share capital:	
Premises	60	25,000 shares of Rs.20 each	500
Reserve fund investments	200	Reserve fund	200
Investment in govt. securities	160	Current and other deposits	2,080
Salaries	60	Profit and loss A/c as on	35

		1.1.94	
General expenses	32	Interests and discounts	312
Rent, rates and taxes	3		
Director's fees	20		
Money at call and short notice	80		
Income tax paid	26		
Bills discounted	36		
Interim dividend paid	25		
Cash in hand and with RBI	40		
	3,127		3,127

Adjustments:

- Interest accrued on investments Rs.22,000
- The market value of government securities is Rs.1,50,000 and provision is to be made.
- Endorsements on behalf of customers Rs.2,10,000
- Authorised capital 50,000 shares of Rs.20 each.

Prepare Profit and Loss A/c and Balance sheet as on 31.12.1994.

3. From the following trail balance of Jayanth Insurance Co. ltd. you are required to prepare Revenue A/c and Profit & Loss Account for the year ended 31st March 2006 and Balance sheet as on that date:

Debit Balances	Rs.	Credit Balances	Rs.
Fire Insurance Department:		Fire Insurance Department:	
Claims paid and outstanding	2,80,000	Premiums	7,62,200
Expenses of management	2,27,600	General Insurance Department:	
Commission	42,800	Premiums	77,84,800
General Insurance Department:		Share capital	50,00,000
Claims paid and outstanding	29,25,600	Claims admitted but not paid	9,00,800
Expenses of management	17,23,800	Amount due to other companies	3,30,000
Commission	6,04,800	Sundry creditors	1,18,000
Cash at bank	15,09,600	General Insurance fund (1.4.05)	6,30,000
Indian Govt. Securities	72,00,000	Fire Insurance fund (1.4.05)	1,24,000
Agents balances	12,00,000	Interest & dividends	35,600
Sundry Debtors	68,000	Profit & Loss A/c balance as on 1.4.05	3,36,200
Investment in foreign govt. securities	2,39,400		
	1,60,21,600		1,60,21,600

4. From the following summarised balance sheets of H ltd. and S ltd. Prepare a Consolidated balance sheet.

Liabilities	H ltd. Rs.	S ltd. Rs.	Assets	H ltd. Rs.	S ltd. Rs.
Capital Rs.1 shares	1,400	1,000	900 shares in S ltd. at cost	1,200	-
Creditors	-	500	Sundry Assets	200	1,800
Profit and Loss A/c	-	300			

	1,400	1,800		1,400	1,800
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When H ltd. acquired the shares in S ltd. the profit and loss A/c of the latter had a credit balance of Rs.200.

5. The following balances appeared in the books of Universal Electric Supply Corporation Ltd. as on 31.12.2003, prepare Revenue A/c, Net Revenue A/c, Capital A/c and General Balance Sheet.

Debit Balances	Rs.	Credit Balances	Rs.
Land on 31.12.03	1,50,000	Equity shares	6,00,000
Land purchased during the year	60,000	Debentures	2,00,000
Mains including cost of laying to 31.12.03	1,60,000	Sundry Creditors	1,000
Mains expended during the year	76,000	Depreciation fund account	2,50,000
Machinery on 31.12.2003	5,50,000	Sale of Current	1,50,000
Machinery purchased during the year	66,000	Meter Rent	5,000
Sundry debtors for current supplied	40,000	Net Revenue A/c balance as on 31.12.03	28,500
Other book debts	500		
Stores in hand	6,000		
Cash in hand	4,000		
Cost of Generation of Electricity	30,000		
Cost of Distribution of Electricity	9,000		
Rent, rates and taxes	12,000		
Establishment expenses	21,000		
Interest on debentures	10,000		
Interim dividend	20,000		
Depreciation	20,000		
	12,34,500		12,34,500

6. The balances in the books of Hotel Amar as at 31-03-2012 were as follows:

Debit Balances	Rs.	Credit Balances	Rs.
Furniture 31-03-2011	33,400	Room rents from guests	63,000
Billiard Tables 31-03-2011	17,800	Capital	1,05,600
Bank Deposits	56,600	Interest on Deposit A/c	1,600
China Glass, Cutlery 31-03-2011	4,000	Restaurant takings (sales)	3,23,200
Stock in bar 31-03-2011	20,200	Bar takings (sales)	2,61,000
Stock in restaurant 31-03-2011	600	Billiards & Sundry receipts	51,200
Purchases for restaurant	2,15,600	Creditors	35,600
Purchases for bar	1,64,400		
Rents and rates	69,800		
Establishment expenses	1,24,600		
Repairs	35,800		
Cash in hand	2,600		
Fuel and light	35,000		
Sundry expenses	26,800		

Bank balance	18,200		
Debtors	15,800		
	8,41,200		8,41,200

You are required to prepare separate Trading Account for the Restaurant and the Bar and Profit and Loss account for the year ended 31-03-2012 and Balance sheet after taking the following adjustments.

a) Stock on 31-03-2012 : Restaurant - Rs.400; Bar – Rs.5,800.

b) Depreciate Furniture at 10% and Billiards at 15%.

7. The following trail balance was extracted from the books of the Bharat Assurance Company Limited as on 13-03-2006.

Debit Balances	Rs.	Credit Balances	Rs.
Claims by death	2,70,000	Share capital: (2,00,00,000 shares of Rs.10 each)	2,00,000
Claims by maturity	2,30,000	Life assurance fund (1.4.05)	32,38,200
Bonus in reduction of premium	45,500	Claims outstanding (1.4.05)	25,000
Commission	12,500	Premium less reinsurance	5,50,100
Management expenses	50,300	Outstanding commission	2,000
Building	50,000	Policy renewal fees	1,500
Investments	27,65,000	Interest & Dividends	2,90,000
Mortgages in India	5,50,000		
Loans on company's policies	2,15,000		
Outstanding premiums	20,000		
Surrenders	8,300		
Dividend paid	20,000		
Cash at bank	34,000		
Cash in hand	23,200		
Agent's balance	13,000		
	43,06,800		43,06,800

You are required to prepare the Company's Revenue A/c for the year ended 31.03.2006 and its balance sheet as on that after taking the following matters into consideration:

- i) Claims outstanding at the end of the year Rs.20,000
- ii) Interest accrued but not received Rs.19,500
- iii) Further bonus utilised in reduction of premium Rs.8,500
- iv) Claims covered under reinsurance Rs.12,000.
