

SHRIMATHI DEVKUNVAR NANALAL BHATT VAISHNAV COLLEGE FOR WOMEN
(AUTONOMOUS)
(Affiliated to the University of Madras and Re-accredited with 'A+' Grade by NAAC)
Chromepet, Chennai - 600 044.
B.Com.Honours - END SEMESTER EXAMINATIONS - NOVEMBER 2025
SEMESTER - IV
23UBHCT4014 - Special Accounts

Total Duration : 2 Hrs. 30 Mins.

Total Marks : 60

Section BAnswer any **SIX** questions (6 × 5 = 30 Marks)

1. A mutual fund scheme provides the following information:

Total Market Value of Investments	: ₹250 Lakhs
Receivables	: ₹1.50 Lakhs
Accrued Income	: ₹0.50 Lakhs
Liabilities	: ₹1.25 Lakhs
Accrued Expenses	: ₹0.75 Lakhs
Number of Outstanding Units	: 20 Lakhs

Calculate the Net Asset Value (NAV) per unit.

2. Given below are the balance Sheet of H Ltd. And S Ltd.

Liabilities	H Ltd. (Rs.)	S Ltd. (Rs.)	Assets	H Ltd. (Rs.)	S Ltd. (Rs.)
Share Capital: Shares of Rs.100 each	5,00,000	2,00,000	Sundry Assets	6,00,000	3,00,000
Reserves	1,40,000	50,000	1,500 shares in S Ltd.	2,40,000	
Profit & loss A/c	1,00,000	30,000			
Creditors	1,00,000	20,000			
	8,40,000	3,00,000		8,40,000	3,00,000

S Ltd. had a credit balance of Rs.10,000 in the reserves when H Ltd., Acquired shares in it. S Ltd., Made a bonus issue of 1 share for every 5 shares held, all out of the post-acquisition profits, on the date of the above balance sheet. The issue is not yet recorded in the books. Calculate the cost of control before and after the bonus issue.

3. The balance sheets of C Ltd., and D Ltd., as at 31
- st
- December 1986 is as follows:

Liabilities	C Ltd. (Rs.)	D Ltd. (Rs.)	Assets	C Ltd. (Rs.)	D Ltd. (Rs.)
Share Capital (in shares of Rs.10 each)	2,00,000	1,00,000	Sundry assets	1,32,500	1,38,200
General reserve	18,000	20,000	Goodwill	—	20,000
Profit & loss	24,500	23,000	Shares in D Ltd., at cost	1,40,000	—
Creditors	30,000	15,200			
	2,72,500	1,58,200		2,72,500	1,58,200

In case of D Ltd. Profits for the year ended 31st December 1986 is Rs.12,000 and transfer to reserve in Rs.5,000. The holding of C Ltd., in D Ltd is 90% acquired on 30th June 1986. Draft a consolidated Balance Sheet of C Ltd., and its subsidiary.

4. Explain the features of Mutual fund accounting.

5. The following are the balance sheet of Star Ltd., and Shine Ltd., as on 31.12.1997

Liabilities	Star Ltd. (Rs.)	Shine Ltd. (Rs.)	Assets	Star Ltd. (Rs.)	Shine Ltd. (Rs.)
Share Capital Shares of Rs.10 each	7,50,000	6,00,000	Buildings	5,00,000	2,50,000
General Reserve	4,75,000	50,000	Machinery	2,00,000	1,25,000
12% Debentures	—	1,00,000	Stock	2,00,000	2,35,000
Creditors	1,50,000	1,00,000	Sundry Debtors	1,60,000	2,50,000
Bills Payable	85,000	60,000	Bank	4,00,000	50,000
	14,60,000	9,10,000		14,60,000	9,10,000

Star Ltd., agreed to absorb Shine Ltd as on 31.12.97 as per the following terms:

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1. Star Ltd., shall take over all the assets and liabilities of Shine Ltd., (including debentures). In addition, it shall pay Rs.2,50,000 for goodwill.
 2. Buildings of star Ltd., are to be shown at Rs.7,75,000. Absorption expenses of Rs.15,000 are to be met by Star Ltd.
 3. Shares of both the companies are to be valued on net assets basis and the ratio of exchange of shares has to be determined on that basis. You are required to give journal entries in the books of Shine Ltd.
6. On 31st March, 2018 a bank held the following bills, discounted by it earlier:

Date of bill 2018	Term of bill (months)	Discounted @ % p.a	Amount of bill (Rs.)
(i) January 17	4	17	7,30,000
(ii) February 7	3	18	14,60,000
(iii) March, 9	3	17.5	3,64,000

You are required to calculate the rebate on bills discounted.

Also show the necessary journal entry for the rebate.

7. From the following particulars, prepare a Profit & Loss A/c of New Bank Ltd., for the year ended 31.12.96.

	Rs. (in '000)		Rs. (in '000)
Interest on Loans	260	Interest on cash credits	225
Interest on fixed deposits	280	Rent and taxes	20
Rebate on bills discounted	50	Interest on overheads	56
Commission charged to customers	9	Directors' and Auditor's fees	4
Establishment expenses	56	Interest on savings bank accounts	70
Discount on bills discounted	200	Postage and telegrams	2
Interest on current accounts	45	Sundry charges	2
Printing and advertisement	3		

8. The following balances are extracted from the books of a Life Insurance business as on 31st March 2006

	Rs. ('000)
Life Assurance Fund as on 1.4.05	5,06,000
Premium	90,000
Reinsurance premium paid	2,075
Fines for revival of policies	15
Consideration for annuities granted	1,500
Management expenses	21,000
Income tax	850
Commission	18,650
Claims	40,000
Interest, dividend etc	20,000
Surrenders	3250
Medical Fees	1,500
Annuities	1,505
Bonus in cash	600

Prepare the Revenue A/c for the year 2005-06 after making the following adjustments:

- | | Rs. ('000) |
|--|------------|
| (a) Claim payable | 9,250 |
| (b) Interest accrued on Investment | 2,695 |
| (c) Medical fees outstanding | 375 |
| (d) Outstanding premium | 3,750 |
| (e) Commission payable | 750 |
| (f) A claim of Rs.500 included in the above claim payable is to be written off as it 10 years old and is not likely to arise. | |
| (g) The managing director is to be paid at the rate of 5% on the net increase of LAF during the year before providing such commission. | |

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Section C

I - Answer any **TWO** questions (2 × 10 = 20 Marks)

9. An investor purchased 1,000 units of a mutual fund at an initial NAV of ₹25. Over the year, the fund distributed a dividend of ₹1.50 per unit and a capital gain of ₹0.50 per unit. The NAV at the end of the year was ₹28. Calculate the Holding Period Return (HPR).
10. Explain the following items relating to insurance business:
- (i) Reinsurance
 - (ii) Commission on reinsurance ceded
 - (iii) Reserve for unexpired risk
 - (iv) Revenue account
11. Spring field Ltd. is absorbed by Sports Field Ltd., the consideration being
- (1) The taking over of the trade liabilities of Rs.40,000;
 - (2) The payment of cost absorption of Rs.15,000;
 - (3) The repayment of 'B' debentures of Spring Field Ltd. of Rs.2,00,000 at par;
 - (4) The discharge of 'A' debentures of Rs.3,00,000 in the Vendor Co, at a premium of 10% by the issue of 8% debenture is Sports Field Ltd, at par;
 - (5) A payment of Rs.20 per share in cash and the exchange of 4 fully paid Rs.10 shares in Sports Field Ltd. at a market price of Rs.15 per share for every Rs.50 share in Spring Filed Ltd. which were 40,000 in number.

Compute Purchase consideration.

12. The following is the Trial Balance of Dhanalakshmi Bank Ltd as on Dec 31 1984

Dr	Rs.	Cr	Rs.
Loans ,credits and overdrafts	2,85,000	Subscribed capital : 50,000 Equity Shares of Rs.10 each fully paid	5,00,000
Premises	50,000	Reserve fund	2,50,000
Indian government	4,00,000	Current deposit (including call deposits on demand)	1,00,000
Salaries	28,000	Fixed deposit (including cash certificates)	1,25,000
General expenses	27,400	Savings bank deposit	50,000
Rent, rates and taxes	2,300	P & L A/c (1.1.14)	16,000
Stock of stationary	8,500	Recurring deposit	20,000
Directors' fees	1800	Interest and discount	1,28,000
Bills purchased and discounted	46,000		
Interim dividend paid	17,000		
Shares	50,000		
Cash in hand and with RBI	1,93,000		
Money at call and short notice	80,000		
	11,89,000		11,89,000

- (a) Provision for bad and doubtful debts is requiring amounting to Rs.5,000
- (b) Accrued interest on investments was Rs.8,000
- (c) Unexpired discounts amount to Rs.380
- (d) Interim dividend declared was 4% actual
- (e) Endorsements made on behalf of customers totalled Rs.1,15,000
- (f) Authorised capital was 80,000 equity shares of Rs.10each
- (g) Rs.10,000 were added to the premises during the year.Depreciation at 5% on the opening balance was required.
- (h) Market value of Indian Government Securities was Rs.3,90, 000.Prepare Profit and Loss Account for the year ended 31.12.1984 and Balance Sheet as at that date.

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II - Compulsory question (1 × 10 = 10 Marks)

13. From the following balance sheets prepare consolidated balance sheet of Union Ltd and its subsidiary State Ltd.

Liabilities	Union Ltd. (Rs.)	State Ltd. (Rs.)	Assets	Union Ltd. (Rs.)	State Ltd. (Rs.)
Share capital (Rs.10 each)	1,40,000	40,000	Land & Buildings	90,000	30,000
General reserve	30,000	9,000	Plant	45,000	16,000
Profit and Loss	15,000	12,000	Stock	16,000	5,000
Creditors	30,000	8,000	Debtors	20,000	8,000
	—————	—————	Investments: 3,000 shares in State Ltd.,	37,000	—
	—————	—————	Bank	7,000	10,000
	2,15,000	69,000		2,15,000	69,000

At the date of acquisition of holding of 3,000 shares in State Ltd. The latter company had undistributed profits and reserves amounting to Rs.4,000 and Rs.6,000 respectively. The Creditors of State Ltd include Rs.4,000 for goods supplied by Union Ltd on which union Ltd Made a profit of Rs.1,000 .Half of the goods were still in stock on 30.6.2020.
