

**Term End Examination : June - 2018**  
**DIPLOMA IN ACCOUNTING**  
**Company Accounts**

DIA-05

**Time: 3 hours**

**Full Marks: 100**

**Read the instructions carefully before attempting questions from each group.**

**GROUP – A**

**Q.No. 1. Answer all questions selecting the right options.**

**[1 X 10 = 10]**

- i. Share application account is a
  - A. Nominal Account
  - B. Real Account
  - C. Personal Account
  - D. Non
  
- ii. Right shares are those shares which are
  - A. Issued to Director
  - B. First issued to the share holder
  - C. Issued by the new company
  - D. Non
  
- iii. Preference shareholders are
  - A. Creditors of the company
  - B. Owners of the company
  - C. Customers of the company
  - D. Non
  
- iv. The balance sheet give information regarding the
  - A. Results of operation for a particular period
  - B. Financial position during the particular period
  - C. Profit earning capacity for a particular period
  - D. Financial position as on a particular date
  
- v. In which statement would you find all of the assets, liabilities, income, expenditure and owner's equity?
  - A. Balance sheet
  - B. Profit and loss
  - C. Trial balance
  - D. None of the above
  
- vi. Which of the following is a current liability?
  - A. Prepaid expenses
  - B. Trade mark
  - C. Discount on issue of shares
  - D. Outstanding salaries
  
- vii. The profit and loss account shows the
  - A. Financial results of the concern for the period
  - B. Financial position of the concern on a particular date
  - C. Financial position of the concern for a period
  - D. Financial results of the concern on a particular date
  
- viii. Capital is shown under liabilities because of the
  - A. Conservatism concept
  - B. Accrual concept
  - C. Entity concept
  - D. Revenue recognition concept
  
- ix. Bank overdraft is shown as
  - A. Current liability
  - B. Contingent liability
  - C. Current assets
  - D. None of these

- x. Fictitious assets are shown on the assets side of the Balance Sheet of a company under the heading
- A. Fixed Assets  
B. Miscellaneous expenditure  
C. Current assets  
D. None of these

**GROUP – B**

**Q.No. 2. Answer any 4 (four) questions each within 50 words. [5 X 4 = 20]**

- a) Distinguish between stock and shares
- b) What are various kinds of debentures explain any three of them.
- c) What are entries passed when debentures are issued as collateral security?
- d) Give the format of Vertical form of Balance Sheet.
- e) What is meant by Rebate on bills discounted in bank accounts?
- f) Distinguish between re-insurance and double insurance.

**GROUP – C**

**Q.No.3. Answer any 4 (four) questions each within 200 words. [10 X 4 = 40]**

- a) What are various entries passed in case of forfeiture of shares under different situation? Explain with example.
- b) What are main functions of bank? Give the format of Bank Balance Sheet.
- c) State the silent features of General Insurance Company.
- d) Mona Ltd. issued 10,000 shares of Rs10 each at par. The amount received as follows:

On application Rs3

On allotment Rs3

On first call Rs2

On final call Rs2

The company received all the money except in case of 200 share holders did not received the first and final call money these shares forfeited and reissued at discount of 20%. Pass Journal entries in the books of Mona Ltd.

- e) Give journal entries to the following:
  - (i) Issued 1,000,8% Debenture of Rs100 each at par and redeemable at par.
  - (ii) Issued 5,000 9% Debentures of Rs100 each at 10% premium redeemable at par.
  - (iii) Issued 100,7% Debenture of Rs1,000 each at 5% discount and redeemable at par.
  - (iv) Issued 200,8% Debenture of Rs100 each at 5% discount and redeemable at 10% premium
  - (v) Issued 250,9% Debentures of Rs100 each at 5% premium redeemable at 10% premium.
  - (vi) Issued 500,7% Debenture of Rs100 each at par redeemable at 5% premium.
- f) Prepare Fire revenue account for the period ending 31<sup>st</sup> March 2018

Particulars	Amount
Reserve for unexpired risk ( 1/4/2017)	70,000
Outstanding claim 1/4/2017	20,000
Outstanding claim 31/3/2018	15,000
Premium received	2,60,000

Reinsurance premium paid	60,000
Claims paid	90,000
Management expenses	60,000
Interest and dividend less tax	9,000
Legal expenses related to claim	3,000
Commission on direct business	30,500
Commission on re-insurance ceded	2,000
Commission on reinsurance accepted	1,000
Reserve for unexpired risk 50% of premium received on 31 <sup>st</sup> March 2018.	

### GROUP – D

**Q.No.4. Answer any 2 (two) questions each within 250 words.**

**[15 X 2 = 30]**

a) Bhumika Ltd issued 8,000 shares and the amounts received were as follows:

On application Rs4, on allotment Rs2, Rs2 on first call and Rs2 on second call. The amounts received in respect of these shares were as follows:

On 6,000 shares the full amount of Rs10

On 1,250 shares Rs8 per share

On 500 shares Rs6 per share

On 250 shares Rs4 per share

The directors forfeited all such shares on which less than Rs8 per share had been received

b) The Profit as shown by the revenue account of general insurance company for the year ending 31<sup>st</sup> March 2018 is Rs 3,00,000 before taking in to the following figures:

Claims intimated but not paid Rs 30,000

Claims recovered under re-insurance Rs 10,000

Bonus in reduction of premium Rs 3,000

Outstanding premium Rs 2,000

Interest accrued Rs 1,000

Pass journal entries and revised profit statement.

c) What are different types of companies? Give procedure for forming company.

d) Who is responsible for maintenance of Books of accounts? Briefly explain the provisions of company law relating maintenance of books of accounts.

=0=

