



# PRESIDENCY UNIVERSITY

BENGALURU

Roll No.

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## End - Term Examinations – MAY/ JUNE 2025

Date: 02-06-2025

Time: 01:00 pm – 04:00 pm

<b>School:</b> SOC	<b>Program:</b> BCM01A/BCMB01/BCMC01	
<b>Course Code:</b> COM3054	<b>Course Name:</b> Advanced Accounting	
<b>Semester:</b> IV	<b>Max Marks:</b> 100	<b>Weightage:</b> 50%

CO - Levels	C01	C02	C03	C04
Marks	06	49	51	44

### Instructions:

- (i) Read all questions carefully and answer accordingly.
- (ii) Do not write anything on the question paper other than roll number.

### Part A

Answer ALL the Questions. Each question carries 2 marks. (10Q x 2M = 20M)				CO
1	What are the Secondary functions of a bank?	2 Marks	L1	C01
2	Define Repo rate.	2 Marks	L1	C01
3	What does the term "Statutory Reserve Ratio +" refer to in banking?	2 Marks	L1	C01
4	A trader draws a bill of exchange for ₹30,000 for 3 months. The bank agrees to discount the bill at a discount rate of 6% per annum. What is the amount the trader will receive after discounting the bill?	2 Marks	L1	C02
5	Define Historical Cost.	2 Marks	L1	C03
6	What is the objective of inflation accounting?	2 Marks	L1	C03
7	Solve the following and calculate the purchase value: Purchase of bonds for ₹ 40,000, brokerage paid ₹1500, Interest ₹ 1050.	2 Marks	L2	C04
8	What is the cost of acquisition in inflation accounting?	2 Marks	L1	C03
9	What do you understand by "Rebate on Bills Discounted"?	2 Marks	L2	C02
10	What is the main purpose of inflation accounting?	2 Marks	L1	C02

Part B																																	
Answer ALL the Questions. Each question carries 7 marks. (5Q x 7M = 35M)					CO																												
11		Ravi and Shyam are two businessmen. Ravi accepts a bill of ₹10,000 drawn by Shyam for a period of 2 months. Shyam, in need of immediate cash, gets the bill discounted at a bank at a discount rate of 6% per annum. Calculate the discount charged by the bank. <ul style="list-style-type: none"><li>Determine the amount Shyam will receive from the bank after discounting the bill.</li><li>Pass necessary journal entries in the books of bank.</li></ul>	7 Marks	L2	CO2																												
	Or																																
12		Calculate the discount on the following Bills. <ul style="list-style-type: none"><li>i) 80,000, 3-month, rate 1% per month (Presented after two month)</li><li>ii) 50,000 2-month Rate 6% per year (Presented on Same date)</li></ul>	7 Marks	L2	CO2																												
13		For the year ending on March 31, 2021, the balances of The Kotak Bank Ltd. are given hereunder: <table><tr><th>Particulars</th><th>Rs.</th></tr><tr><td>Interest on loan</td><td>3,50,000</td></tr><tr><td>Printing &amp; stationery</td><td>8,000</td></tr><tr><td>Telephone &amp; internet</td><td>4,000</td></tr><tr><td>Interest on fixed deposit</td><td>36,000</td></tr><tr><td>Salaries</td><td>30,000</td></tr><tr><td>Postage</td><td>5,000</td></tr><tr><td>Rent</td><td>7,000</td></tr><tr><td>Interest on saving bank deposit</td><td>20,000</td></tr><tr><td>Commission received</td><td>1,40,000</td></tr><tr><td>Legal charges</td><td>15,000</td></tr><tr><td>Insurance</td><td>9,000</td></tr><tr><td>Interest on overdraft</td><td>1,20,000</td></tr><tr><td>Interest on cash credit account</td><td>2,40,000</td></tr></table> Prepare P&L Account for the year ended on March 31, 2021.	Particulars	Rs.	Interest on loan	3,50,000	Printing & stationery	8,000	Telephone & internet	4,000	Interest on fixed deposit	36,000	Salaries	30,000	Postage	5,000	Rent	7,000	Interest on saving bank deposit	20,000	Commission received	1,40,000	Legal charges	15,000	Insurance	9,000	Interest on overdraft	1,20,000	Interest on cash credit account	2,40,000	7 Marks	L2	CO2
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14		On April 1, 2024, a company purchased 200, 10 % debentures of ₹1,000 each at par, Interest payable semi-annually (on September 30 and March 31). The company sold 60 debentures on August 1, 2024, at ₹1,050 each. Calculate Profit & loss on sale of Investment.	7 Marks	L2	CO4																												
Or																																	
15		A limited purchased a building in 2015 for ₹ 30,00,000 and sold the building in 2025 for ₹ 38,00,000. The index in 2015 is 250 and in 2025 325. Calculate the Profit or loss.	7 Marks	L2	CO3																												
Or																																	

16	Explain with suitable illustration how CPP method adjusts accounts using a price index.	7 Marks	L1	C03
17	KBC Limited bought 10000, 10%, Bonds on Jan 1, 2024 @ 125 each and paid brokerage 1% (Face Value ₹ 100) and sold 2500 Bonds for ₹ 3,00,000 and paid ½ % brokerage on sale on 31 <sup>st</sup> March 2020. The Interest Payable date is May 1, 2024 and Nov. 1, 2024. Prepare Investment account.	7 Marks	L2	C04
Or				
18	As Per Banking Regulation Act 1949, Prepare the Format of Schedule 1 to Schedule 10.	7 Marks	L2	C02
19	A Building was purchased on March 1, 2005, for ₹ 6,00,000. Half of the building was sold on Dec. 2014 for ₹ 5,00,000 and rest part sold on July 1, 2020, for ₹ 10,00,000. As per the Cost inflation index calculate the Profit and loss on both the sales Proceed. The cost Inflation Index in 2004-05 , 2014-15 and 2020-21 are 120 , 250 and 400 respectively.	7 Marks	L2	C03
Or				
20	Analyze the difference between fixed income securities and variable income securities in investment accounting.	7 Marks	L1	C04
Part C				
Answer Any THREE Questions. Each question carries 15 marks. (3Q x 15M = 45M)				CO
21	Prepare a format of a final Balance Sheet and Profit and Loss Account of a banking company as per the prescribed norms, and explain each item briefly.	15 Marks	L1	C04
22	Prepare Balance sheet from the following for ICICI bank Limited. Share Capital 30,000 Shares @ ₹ 100 each, Reserve Fund 5,00,000 Local Bill Discount 6,00,000 Cash Credit 5,00,000, Overdraft 10,00,000 & Term Loan 4,00,000 Investment in shares 5,60,000 Demand Deposit: From Banks 10,00,000, From Others 5,00,000 Term Deposit: From Banks 3,20,000 From Others 2,80,000 Borrowing in India 8,00,000 Bills Payable 1,00,000 & Unclaimed Dividend 2,50,000 Cash in Hand 3,60,000 & Cash With banks in India 7,40,000 Stationery and Stamp 1,40,000 Building 12,00,000 & Furniture 2,00,000 Profit & Loss (Credit Balance) 2,50,000 (Includes Last Year Profit 1,00,000) Statutory Reserve is to be created 25% out of Current Year Profit which is 50,000	15 Marks	L2	C02
23	TVS Ltd. purchased a machine on 1st April 2020 for ₹2,00,000. The machine has a useful life of 10 years, and the company charges straight-line depreciation @ 10% The current replacement cost of the machine on 31st March 2025 is ₹2,80,000.	15 Marks	L2	C03

24	<p>Tata Limited Purchased 6%, 3000 Debenture of ₹ 100 each on May 1, 2024, at the rate of 120 each (ex- Interest) and paid 1% Brokerage for the same. The company sold 1000 Debenture after two months at the rate of 130 each and paid the brokerage at 1%. The company again sold 500 Debentures at the rate of ₹ 140 each cum interest and paid 1% Brokerage. Prepare the investment account and show all the working. The Interest payable date is 30<sup>th</sup> June and 31<sup>st</sup> December.</p>	15 Marks	L2	C04
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