

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)
BSc DEGREE EXAMINATION DECEMBER 2024
(Third Semester)

Branch - STATISTICS

ACCOUNTING AND INSURANCE

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer ALL questions

ALL questions carry EQUAL marks

(10 × 1 = 10)

Module No.	Question No.	Question	K Level	CO
1	1	Accounting is _____ A) An Art B) A Science C) Both D) None	K1	CO1
	2	Trial Balance is a List of _____ A) Ledger Balances B) Totals of Ledgers C) Journal Balance D) None	K2	CO1
2	3	Which of the following is not a subsidiary book? A) Sales Book B) Purchase Book C) Cash Book D) Trial Balance	K1	CO2
	4	Bank Reconciliation statement is prepared to A) Ascertain the cash book balance B) Ascertain the bank balance C) Reconcile balance as shown by cash book with that shown by the pass book D) None	K2	CO2
3	5	Closing stock is valued at A) Book value B) Market Value C) Book value or Market value, which ever less D) Intrinsic Value	K1	CO3
	6	Which of the following is not included in the Trading Account? A) Sales B) Opening Stock C) Administrative Expenses D) Purchases	K2	CO3
4	7	Which principle of insurance ensures that an insured individual cannot benefit from an insurance policy beyond the amount of their actual loss? A) Principle of Insurable Interest B) Principle of Indemnity C) Principle of Subrogation D) Principle of Contribution	K1	CO4
	8	What does risk pooling in insurance primarily aim to achieve? A) Increase the overall risk for insurers B) Decrease the amount of risk per individual C) Concentrate risk in a single entity D) Eliminate risk entirely	K2	CO4

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5	9	Which of the following is NOT a typical feature of a life insurance contract? A) Premium payments are usually periodic B) Provides coverage for a specific period or until the insured's death C) Coverage for property damage D) The sum insured is paid to beneficiaries upon death or at maturity	K1	CO5
	10	Which of the following best describes fire insurance? A) Insurance that covers damage to property caused by fire, lightning, and explosions B) Insurance that covers damage to ships and cargo C) Insurance that provides compensation for loss of income due to disability D) Insurance that protects against legal liabilities from vehicle accidents	K2	CO5

SECTION - B (35 Marks)

Answer ALL questions

ALL questions carry EQUAL Marks

(5 × 7 = 35)

Module No.	Question No.	Question	K Level	CO																																							
1	11.a.	Journalize the following transaction in the books of Mr. Alex 1) Started business with a capital of Rs. 10,00,000 2) Deposited in to bank Rs.5,00, 000 3) Purchased Rs. 1,00,000 4) Bought Machinery Rs. 1, 50, 000 5) Sold goods to Mr. James Rs.10,000 6) Cash sales Rs. 5,000	K2	CO1																																							
	(OR)																																										
	11.b.	What are the steps to be taken to locate error in Trail Balance?																																									
2	12.a.	Enter the following transactions in a simple Cash book of Shri. Subramanian.	K3	CO2																																							
		<table><tr><td>2018 April 1</td><td>Commenced business with cash</td><td>24,000</td></tr><tr><td>5</td><td>Bought goods for cash</td><td>6,000</td></tr><tr><td>10</td><td>Goods sold for cash</td><td>11,200</td></tr><tr><td>13</td><td>Paid into bank</td><td>2,500</td></tr><tr><td>14</td><td>Sold goods to ganesan</td><td>9,000</td></tr><tr><td>15</td><td>Bought goods from mohan</td><td>13,600</td></tr><tr><td>20</td><td>Purchased furniture</td><td>9,600</td></tr><tr><td>21</td><td>Purchased stationary</td><td>160</td></tr><tr><td>23</td><td>Received cheque from ganesan</td><td>9,000</td></tr><tr><td>25</td><td>Paid Mohan</td><td>13,600</td></tr><tr><td>26</td><td>Received commission</td><td>740</td></tr><tr><td>27</td><td>Paid telephone charges</td><td>300</td></tr><tr><td>30</td><td>Drawn from bank</td><td>3,800</td></tr></table>			2018 April 1	Commenced business with cash	24,000	5	Bought goods for cash	6,000	10	Goods sold for cash	11,200	13	Paid into bank	2,500	14	Sold goods to ganesan	9,000	15	Bought goods from mohan	13,600	20	Purchased furniture	9,600	21	Purchased stationary	160	23	Received cheque from ganesan	9,000	25	Paid Mohan	13,600	26	Received commission	740	27	Paid telephone charges	300	30	Drawn from bank	3,800
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	12.b.	From the under mentioned particulars of Mr. M. Mohan prepare a Bank Reconciliation statement as on 31st July 1994. 1) Cheques paid into bank on the 28th July 1994 but credited to Mohan's account in the first week of August. K.Kalyan Rs. 1000, J.Joy Rs. 800 R. Raghul Rs. 1,200 2) The following cheque were issued by mohan on 30th July 1994. But presented to bank for payment after the close of the year. D.David Rs. 1,200, H.Hari Rs. 1,000 , L.Lal Rs. 800. 3) A cheque for Rs. 300 was credited direct to the account and was not passed through the cash book. 4) The bank balance as per cash book on 31st July 1994 amounted to Rs. 30,000.	K3	CO2																																																																											
3	13.a.	<table><tr><th></th><th>Rs</th></tr><tr><td>Openings stock</td><td>80,000</td></tr><tr><td>Purchases</td><td>8,60,000</td></tr><tr><td>Freight inward</td><td>52,000</td></tr><tr><td>Wages</td><td>24,000</td></tr><tr><td>Sales</td><td>14,40,000</td></tr><tr><td>Purchase returns</td><td>10,000</td></tr><tr><td>Sales returns</td><td>3,16,000</td></tr><tr><td>Closing stock</td><td>1,00,000</td></tr><tr><td>Import duty</td><td>30,000</td></tr></table>		Rs	Openings stock	80,000	Purchases	8,60,000	Freight inward	52,000	Wages	24,000	Sales	14,40,000	Purchase returns	10,000	Sales returns	3,16,000	Closing stock	1,00,000	Import duty	30,000	K3	CO3																																																							
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13.b.	The following trial balance has been taken out from the books of XYZ as on 31st December 2009. <table><tr><th>Particulars</th><th>Dr</th><th>CR</th></tr><tr><td>Plant and Machinery</td><td>100000</td><td></td></tr><tr><td>Opening stock</td><td>60000</td><td></td></tr><tr><td>Purchase</td><td>160000</td><td></td></tr><tr><td>Buildings</td><td>170000</td><td></td></tr><tr><td>Carriage inwards</td><td>3400</td><td></td></tr><tr><td>Carriage outwards</td><td>5000</td><td></td></tr><tr><td>Wages</td><td>32000</td><td></td></tr><tr><td>Sundry debtors</td><td>100000</td><td></td></tr><tr><td>Salaries</td><td>24000</td><td></td></tr><tr><td>Furniture</td><td>36000</td><td></td></tr><tr><td>Trade expense</td><td>12000</td><td></td></tr><tr><td>Discount on sales</td><td>1900</td><td></td></tr><tr><td>Advertisement</td><td>5000</td><td></td></tr><tr><td>Bad debts</td><td>1800</td><td></td></tr><tr><td>Drawings</td><td>10000</td><td></td></tr><tr><td>Bills Receivables</td><td>50000</td><td></td></tr><tr><td>Insurance</td><td>4400</td><td></td></tr><tr><td>Bank Balances</td><td>20000</td><td></td></tr><tr><td>Sales</td><td></td><td>480000</td></tr><tr><td>Interest received</td><td></td><td>2000</td></tr><tr><td>Sundry creditors</td><td></td><td>40000</td></tr><tr><td>Bank loans</td><td></td><td>100000</td></tr><tr><td>Discount on Purchases</td><td></td><td>2000</td></tr><tr><td>Capital</td><td></td><td>171500</td></tr><tr><td></td><td>795500</td><td>795500</td></tr></table> Closing stock is valued at INR 90,000. Prepare the trading and profit and loss account of the business for the year ended 31.12.2009 and a balance sheet as at that date.	Particulars	Dr	CR	Plant and Machinery	100000		Opening stock	60000		Purchase	160000		Buildings	170000		Carriage inwards	3400		Carriage outwards	5000		Wages	32000		Sundry debtors	100000		Salaries	24000		Furniture	36000		Trade expense	12000		Discount on sales	1900		Advertisement	5000		Bad debts	1800		Drawings	10000		Bills Receivables	50000		Insurance	4400		Bank Balances	20000		Sales		480000	Interest received		2000	Sundry creditors		40000	Bank loans		100000	Discount on Purchases		2000	Capital		171500		795500	795500
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4	14.a.	Describe the main types of risks and provide examples of each.	K4	CO4
	(OR)			
	14.b.	Discuss the role of insurance in risk management and its impact on individuals and businesses		
5	15.a.	Define Life Insurance Contract and Describe its Main Features.	K5	CO5
	(OR)			
	15.b.	Describe the main features of non-life insurance contracts and provide examples of their types		

SECTION -C (30 Marks)

Answer ANY THREE questions

ALL questions carry EQUAL Marks (3 × 10 = 30)

Module No.	Question No.	Question	K Level	CO																																				
1	16	Explain the different accounting concepts and conventions.	K4	CO1																																				
2	17	Categorize the different kinds of subsidiary books.	K4	CO2																																				
3	18	From the following balances, taken from the Trial Balance of Shri suresh, Prepare Trading and Profit and Loss account for the year ending 31st December 2018. <table><tr><th>Particulars</th><th>Dr. Rs.</th><th>Cr. Rs.</th></tr><tr><td>Stock on 1.1.2018</td><td>2,000</td><td></td></tr><tr><td>Purchases and Sales</td><td>20,000</td><td>30,000</td></tr><tr><td>Returns</td><td>2,000</td><td>1,000</td></tr><tr><td>Carriage</td><td>1,000</td><td></td></tr><tr><td>Cartage</td><td>1,000</td><td></td></tr><tr><td>Rent</td><td>1,000</td><td></td></tr><tr><td>Interest received</td><td></td><td>2,000</td></tr><tr><td>Salaries</td><td>2,000</td><td></td></tr><tr><td>General Expenses</td><td>1,000</td><td></td></tr><tr><td>Discount</td><td></td><td>500</td></tr><tr><td>Insurance</td><td>500</td><td></td></tr></table>	Particulars	Dr. Rs.	Cr. Rs.	Stock on 1.1.2018	2,000		Purchases and Sales	20,000	30,000	Returns	2,000	1,000	Carriage	1,000		Cartage	1,000		Rent	1,000		Interest received		2,000	Salaries	2,000		General Expenses	1,000		Discount		500	Insurance	500		K4	CO3
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Discount		500																																						
Insurance	500																																							
4	19	Evaluate the key principles of insurance and their importance. Discuss how these principles ensure fair practices and protect the interests of both insurers and insured parties.	K3	CO4																																				
5	20	Explain the concept of marine insurance and its importance in international trade. Discuss the different types of marine insurance policies and their coverage.	K4	CO5																																				

Z-Z-Z

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