



PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)
BSc DEGREE EXAMINATION DECEMBER 2019
(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 (10x1 = 10)

- 1 Debit all expenses and losses and credit all incomes and gains is the rule of
(i) Personal account (ii) Real account
(iii) Nominal Account (iv) Personal account and Real account
- 2 Goods taken for personal use is
(i) Purchases (ii) Sales
(iii) Drawings (iv) Income
- 3 Return outwards is also called as
(i) Purchases (ii) Sales Return
(iii) Finished Goods (iv) Purchase Returns
- 4 Bank Reconciliation Statement is a
(i) Ledger account (ii) Separate statement
(iii) Part of cash with bank column (iv) Trial Balance
- 5 Goodwill is an
(i) Intangible asset (ii) Fixed asset
(iii) Current asset (iv) Current liability
- 6 Depreciation is provided on
(i) Fixed assets (ii) Outward charges
(iii) Current assets (iv) Intangible assets
- 7 Which one of the following does not belong to the main products of life insurance?
(i) Endowment (ii) Personal accident insurance
(iii) Term (iv) Whole life
- 8 When was Life Insurance sector nationalized?
(i) 1834 (ii) 1907
(iii) 1938 (iv) 1956
- 9 The person who is specified by the insured to receive the insurance policy in case premature death is called as
(i) Nominee (ii) Insured
(iii) Insurer (iv) appointee
- 10 The fixed amount of money paid by the insured to the insurance company regularly is called
(i) Capital (ii) Annuity
(iii) Premium (iv) Value

SECTION - B (35 Marks!)

Answer ALL Questions

ALL Questions Carry EQUAL Marks (5x7 = 35)

- 11 a What are the objectives of Book Keeping?

11 Cont...

b I

Particulars	Amount	Particulars	Amount
Capital	3,40,000	Purchases	94,000
Creditors	13,000	Sales returns	3,400
Drawings	4,000	Purchase returns	2,400
Salaries	38,200	Carriage inwards	1,400
Bills Receivable	5,800	Printing & Stationery	5,000
Bills Payable	7,000	Stock	29,900
Debtors	16,000	Machinery	50,000
Sales	1,44,000	Wages	5,000
Insurance	2,200	Rent	1,600
Land	2,50,000	Interest received	1,700
Commission received	800	Electricity Charges	2,400

- 12 a Enter the following transactions in the Purchase book of M/s.Subhashree.
 March 3 Purchased 100 kg of coffee seeds from Suresh @ Rs.40 per kg.
 5 Purchased 80 kg of Tea dust from Hari @ Rs.20 per kg.
 12 Bought from Rekha sugars, Trichy 1,200kg of sugar @ Rs.8 per kg.
 18 Bought from Perumal Sweets, Chennai 40 tins of sweets @ Rs.200 per tin.
 20 Purchased from Govind Biscuits Company, Chennai 20 tins of Biscuits @ Rs.400 per tin.

OR

- b From the following particulars prepare Bank Reconciliation statement as on 31st March 2019.

- Balance as per cash book is Rs.5,877
- Cheque issued but not presented for payment is Rs.2,013
- Cheques deposited but not cleared upto 31st March 2019 is Rs. 1,419
- Bankers had wrongly debited the firm's account with Rs.225 which was not rectified until 31st March.

- 13 a Prepare trading account of Mr.Deban for the year ended 31st December 2018.

Particulars	Amount	Particulars	Amount
Opening Stock	5,700	Purchases	1.58.000
Purchase Returns	900	Sales	2.62.000
Sales returns	600	Closing Stock	8,600

OR

- b Prepare profit and loss account of Mrs.Nalini for the year ended 31^s

Particulars	Amount	Particulars	Amount
Gross Profit	1,25,000	Discount paid	600
Salaries	15,000	Discount received	1,000
Rent	5.000	Interest paid	500
Carriage Outwards	1.000	Interest received	700
Selling Expenses	500	Commission earned	2,000
Income from Investment	1,500		

- 14 a Explain about the types of risk.

OR

- b What are the functions of insurance?

- 15 a What is meant by life insurance contract?

OR

- b Write short notes on marine insurance.

SECTION - C (30 Marks)Answer any **THREE** Questions**ALL** Questions Carry **EQUAL** Marks (3 x 10 = 30)

- 16 Record the following transactions in the Journal of M/s Deepak agencies.

Date	Particulars	Amount
March 1	Started business with cash	2,50,000
6	Bought furniture	25,000
7	Purchased goods for cash	15,000
9	Cash sales	20,000
13	Sold goods on credit to M/s M&K agencies	12,000
15	Received cash from M/s M&K agencies	11,750
	Discount allowed	250
26	Paid telephone charges	2,200
28	Paid salaries	3,000
30	Paid rent	5,000

- 17 Make the following entries in the Triple Cash Book.

Date	Particulars	Amount
2019 January 1	Cash in Hand	415
	Cash at Bank	2,530
2	Paid wages by cheque	950
5	Good purchased for cash	150
6	Received cheque from Khannan Bros.	530
	Discount allowed	20
7	Paid to Kohii & Sons by cheque	400
	Discount received	15
8	Cash Sales	150
10	Interest allowed by bank	200
11	Purchased furniture by cheque	300
15	Received cheque from Senthii Bros	250
	Discount allowed to them	10
16	Paid into Bank	300

- 18 From the following information prepare balance sheet of Mrs.Nasreen as at 31.12.2015.

Particulars	Amount(Rs)	Particulars	Amount(Rs)
Goodwill	10,000	Furniture	6,750
Capital	90,000	Sundry Debtors	25,000
Cash in hand	10,000	Drawings	15,000
Investment	500	Land & Building	30,000
Net Profit	49,900	Bank	10,000
Bills Receivable	6,500	Creditors	31,500
Bills Payable	5,350	Plant and Machinery	20,000
		Closing Stock	40,000

- 19 Discuss in detail about the principles of insurance.

- 20 Briefly explain about the classification of policies.