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SIXTH SEMESTER B.COM. (NEP) DEGREE EXAMINATION, JULY 2025
COMMERCE
Accounting for Service Sector (DSE – 4)

Time : 2 Hours]

[Max. Marks : 60

- Instructions :** 1) Attempt **all** Sections according to internal choice.
2) Use of simple calculator is **allowed**.
3) Q. No. 11 (Case study) is **compulsory**.

SECTION – A

1. Answer **any five** of the following.

(5×2=10)

- What is life insurance ?
- What is premium ?
- Name any 4 public utility concerns.
- What is clear profit ?
- What is American Plan in Hotel Accounting ?
- What do you mean by Double occupancy rate ?
- What is double account system ?

SECTION – B

Answer **any four** of the following.

(4×5=20)

- Write any five distinctions between double account and single account system.
- Following information is extracted from the books of LIC of India. Prepare Schedule 4 benefits paid.
 - Insurance claims by death Rs. 2,000 lakhs
by maturity Rs. 1,360 lakhs
 - Payment of annuities Rs. 1,200 lakhs
 - Payment of surrenders Rs. 30 lakhs

[P.T.O.]



Other information :

- a) Outstanding claims at the beginning of the year by death Rs. 880 lakhs by maturity Rs. 600 lakhs
- b) Outstanding claims at the end of the year by death Rs. 400 lakhs by maturity Rs. 300 lakhs.

4. From the following information of Nihaal Insurance Co., Ltd., prepare Revenue Account.

	₹
Premium earned net	20,85,000
Profit on sale of investment	20,000
Interest and dividend received	84,250
Claims paid (net)	8,95,000
Operating expenses	3,50,000
Commission paid	1,52,000

5. The following balances are extracted from the books of M/s Satya Power Ltd.

- a) Fixed assets and expenditure up to 1-1-2024

Land and building	Rs. 10,00,000
Machinery	Rs. 15,00,000
- b) Additions during the year-machinery Rs. 3,50,000
- c) Share capital issued and fully paid up to Rs. 20,000, equity shares of Rs. 100 each (including Rs. 2,500 shares issued during the year)
- d) 12% debentures Rs. 5,00,000

Prepare receipt and expenditure on capital account.

6. Calculate room rent to be charged per day per room from the following information for a three star hotel at Dharwad, if occupancy rate is (a) 100% (b) 80% :

- i) No. of rooms available for occupancy 100
- ii) Estimated total cost for April 2024 ₹ 36,00,000
- iii) Return expected 50% on cost.



SECTION – C

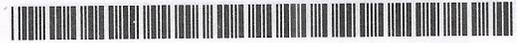
Answer any three of the following. Q. No. 11 is compulsory (Case study). (3x10=30)

- 7. What is double account system ? Explain the advantages and disadvantages of double account system.
- 8. Prepare Revenue Account from the following information of LIC of India.

	₹
Premiums	5,50,500
Annuity paid	10,500
Surrender value paid	5,550
Claims paid	50,000
Consideration for annuity	25,500
Interim bonus paid	5,500
Commission	10,500
Management expenses	5,550
Interest, dividend and rent (Policy holder)	47,550
Increase in valuer's liability	28,250
Revisionary bonus	18,750

- 9. Prepare Marine Revenue Account as per IRDA regulations for the year ended 31st March 2024.

Particulars	D.B. (₹)	R.I.B. (₹)
1) Premiums :		
Premiums received	43,20,000	6,48,000
Receivable on 1-4-23	2,16,000	37,800
Receivable on 31-3-24	3,24,000	50,400
Premium paid	-	4,32,000
Payable on 1-4-23	-	36,000
Payable on 31-3-24	-	75,600
2) Claims paid	29,70,000	2,25,000
Payable on 1-4-23	1,71,000	23,400
Payable on 31-3-24	3,15,000	39,600
Claims received	-	1,80,000
Receivable on 1-4-23	-	16,200
Receivable on 31-3-24	-	21,600



3) Commission

On RIB accepted	2,70,000	19,800
On RIB ceded	–	25,200

Other information :

Balance of fund (URR) on 1st April 2023 was ₹ 47,70,000 including additional reserve @ ₹ 5,85,000. Additional reserve has to be maintained @ 05% of total premium.

10. Following are the balances extracted from the books of a star hotel Hubballi.

1) Sales : Room ₹ 7,30,000

Food, beverages and others ₹ 5,60,000

2) Cost of sales : Food, beverages and others ₹ 2,00,000

3) Payroll related expenses :

Room ₹ 1,10,000

Food, beverages and others ₹ 1,20,000

4) Other expenses : Room ₹ 53,000

Food, beverages and others ₹ 38,000

5) Fixed expenses : Ground rent, depreciations ₹ 1,40,000

6) Profit on sale of asset ₹ 1,00,000

7) Income tax – 40%

Prepare income statement for the year ending 31-03-2025 under uniform system of accounts.

11. Case study :

The following information is extracted from the books of Sunshine Electricity Co. Ltd.

Clear profit ₹ 18,50,000

Reasonable return ₹ 15,75,000

You are required to :

a) Indicate the disposal of surplus of the company.

b) If reasonable return is ₹ 10,75,000, how do you disposal of surplus as per Electricity Act.