Solved Scanner Appendix

CMA Inter Gr. I (New Syllabus)

(Solution of December - 2014)

Paper - 5 : Financial Accounting

Chapter - 1 : Accounting Process
2014 - Dec [2] (b)

				₹
(i)	Profit & Loss adjustment A/c	Dr.	18,000	
	To Suspense A/c			18,000
(ii)	Capital A/c	Dr.	10,000	
	To Profit & Loss adjustment A/c			10,000
(iii)	Machinery A/c	Dr.	5,200	
	To Profit & Loss adjustment A/c			5,200
(iv)	Profit & Loss adjustment A/c	Dr.	15,000	
	To Outstanding rent A/c			15,000
(v)	Furniture A/c	Dr.	13,000	
	To Profit & Loss adjustment A/c			13,000
(vi)	Sohan's A/c	Dr.	10,000	
	To Mohan's A/c			10,000

Chapter- 2: Accounting Standards
2014 - Dec [2] (a)

(i) Exceptional Item
(ii) Ordinary Activities
(iii) Ordinary Activities
(iv) Ordinary Item
(v) Extra Ordinary Item

Chapter- 3: Reconciliation Statement

2014 - Dec [2] (c)

		₹
Balance as per pass book		10,000
Add:	Cheque collected but wrongly credited to another customer's A/c	500
	Credit balance carried forward as debit balance	3,000
	Payment of a cheque recorded twice	350
Less:	Cash deposit wrongly recorded	(9)
	Withdrawal column of pass book undercast	(100)
	Wrong credit of a cheque	(1,000)
Balance as per cash book		12,741

Chapter- 4: Accounting for Depreciation

2014 - Dec [1] (a)

WDV of Machinery at the end of 3rd year

$$= 13,75,000 - 3\left(\frac{13,75,000 - 0}{8}\right)$$

$$= 8,59,375$$

Depreciation for 4th year

$$= \left(\frac{8,59,375 - 0}{7}\right)$$

$$= 1,22,768$$

2014 - Dec [1] (f)

Since the recoverable amount is less than carrying amount, hence value of machinery as per company's records shall be taken as ₹ 52 crores.

For Income tax purposes, WDV = ₹ 40 crores
Excess dep. charged in IT = ₹ 12 crores
Tax on above = ₹ 12 × 40%
= ₹ 4.8 crores
∴ Deferred tax liability = ₹ 4.8 crores.

2014 - Dec [3] (a)

Machinery A/c

Date	Particulars	Amount ₹	Date	Particulars	Amount ₹
1.1.11	To Balance b/d (rectified amount) (W.N.)	1,41,791	30.6.11	By Bank	15,000
			30.6.11	By P/L (loss)	390
30.6.11	To Bank A/c	30,500	30.6.11	By Depreciation	810
			31.12.11	By Depreciation (1,25,591 @ 10%) (30,500 @ 10% × $\frac{6}{12}$)	14,084
				31.12.11 By Balance c/d	1,42,007
		1,72,291			1,72,291

Calculation of Profit/loss on sale of Machinery:

Cost as on 1.1.2009		20,000
Less:	Depreciation @ 10% for 2009	2,000
	WDV on 31.12.09	18,000
Less:	Depreciation @ 10% for 2010	1800
	WDV on 31.12.10	16,200
Less:	Depreciation upto 30.6.11	810
		15,390
	Sales price	15,000
Loss on sale of Machine		390

Working Note:

Value of Mach. (given)		1,49,000
Less: Value of repairs wrongly debited		(12,825)
Cost on 30.6.09	15,000	
- Deprecation $\left(15{,}000 \times \frac{10}{100} \times \frac{6}{12}\right)$	750	
Cost on 31.12.09	14,250	
- Depreciation $\left(14{,}250 \times \frac{10}{100}\right)$	1,425	
Cost on 31.12.10	12,825	

Add:	Machine entered as purchases		5,616
		6,000	
+	Installation expenses	400	
	As on 1.10.09	6,400	
-	Depreciation $\left(6{,}400 \times \frac{10}{100} \times \frac{3}{12}\right)$	160	
		6,240	
-	Depreciation $\left(6{,}240 \times \frac{10}{100}\right)$	624	
		5,616	
	Rectified figure of Machinery as on 1.1.2011		1,41,791

Chapter- 7: Single Entry System

2014 - Dec [4] (b)

Total Creditors A/c

Particulars	Amount	Particulars	Amount
To B/P	62,000	By Balance b/d	38,000
To Cash	1,37,000	By Purchases	2,67,000
To B/R (endorsed)	16,000	By Total debtors A/c (endorsed B/R dis-honoured)	3,000
To Purchase return	11,000	By B/P	2,000
To Discount	6,000		
To Total debtors A/c	7,000		
To Balance c/d	71,000		
	3,10,000		3,10,000

Chapter- 8: Partnership Accounts

2014 - Dec [1] (c)

Let Chinu's capital be x.

∴ Interest on Chinu's capital = 0.09x

And interest on Gunnu's capital = 0.09x + 13,500

⇒ 0.09x + 0.09x + 13,500 = 54,000

0.18x = 40,500

x = 2,25,000

Interest on Gunnu's capital = (0.09 × 2,25,000) + 13,500

= 33,750

∴ Gunnu's capital = 3,75,000

And Chinu's capital (x) = 2,25,000.

2014 - Dec [3] (b)

In the books of Doll and Dolly
Trading & Profit & Loss A/c for the year ended 30.6.2011

Particulars	Amount (₹)	Particulars	Amount (₹)
To Opening stock	44,000	By Sales	
		Cash 32,000	
		Credit 2,48,800	2,80,800
To Purchases	2,16,600	By Closing stock	50,000
To Gross Profit	70,200		
	3,30,800		3,30,800
To Salaries	22,000	By Gross Profit	70,200
To Rent	4,400	By Discount earned	2,400
To Advertising	1,800		
To Printing 1,600			
+ O/S 500	2,100		
To General expenses	19,100		
To Depreciation	600		
To Discount allowed	2,800		
To Net profit	19,800		
	72,600		72,600

Balance Sheet as on 30.6.11

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital		Furniture 6,000	
Doll 56,000		- Depreciation 600	5,400
+ Net Profit 9,900		Debtors	70,000
- Drawings 4,000	61,900	Closing Stock	50,000
Dolly 52,000		Cash in hand	35,900
+ Net Profit 9,900	61,900		
Creditors	37,000		
O/s Printing	500		
	1,61,300		1,61,300

Balance Sheet as on 30.6.2010

W.N.

Liabilities		Amount	Assets	Amount
Capital			Furniture	6,000
Doll	56,000		Closing stock	44,000
Dolly	52,000	1,08,000	Debtors	94,000
Creditors		46,800	Cash in hand	10,800
		1,54,800		1,54,800

Debtors A/c

To Balance b/d (b/f)	94,000	By Discount allowed	2,800
To Sales	2,48,800	By Cash	2,70,000
		By Balance c/d	70,000
	3,42,800		3,42,800

Creditors A/c

To Discount earned	2,400	By Balance b/d	46,800
To Cash	2,24,000	By Purchase (b/f)	2,16,600
To Balance c/d	37,000		
	2,63,400		2,63,400

G.P. on sales = 25%

∴ G.P. on cost = 33.33%

Cost = Opening stock + Purchase - Closing stock

= 2,10,600

G.P. = 70,200

Chapter- 10: Hire Purchase and Installment Purchase Accounts

2014 - Dec [1] (b)

Year	Instalment	Interest	Cash Price
3	1,00,000	$1,00,000 \times \frac{15}{115}$	
		= 13,043	₹ 86,956
2	(1,00,000 + 86,956)	$1,86,956 \times \frac{15}{115}$	
		= 24,385	₹ 1,62,570
1	(1,00,000 + 1,62,570)	$2,62,570 \times \frac{15}{115}$	
		= 34,248	₹ 2,28,322

∴ cash price = ₹ 2,28,322 + Down payment of ₹ 75,000

= ₹ 3,03,322.

Chapter- 11: Branch Accounts

2014 - Dec [3] (c)

Dr. **Mumbai Branch Stock A/c** **Cr.**

Particulars	Amount (₹)	Particulars	Amount (₹)
To Balance b/d	12,000	By Goods sent to branch(transfer) (30,000 - 20%)	24,000
To Goods sent to branch (1,10,000 + 20%)(at IP)	1,32,000		
To Goods sent to branch (transfer) (75,000 - 20%) @ Catalogue price - 20%	60,000	By Branch cash (sales)	74,800
		By Branch debtors(credit sales)	1,45,000
To Branch cash (local purchase)	30,000	By Goods sent to branch (returns) (30,000 - 20%)	24,000
To Branch debtors (returns)	30,000		
To Branch debtors (returns)	15,000	By Goods sent to branch (returns) (15,000 - 20%)	12,000
To Branch adjustment (load on local purchase) (30,000 × 20%)	6,000	By Branch adjustment (load on abnormal loss) (3,000 × $\frac{20}{120}$)	500
To Apparent Surplus	20,000	By Branch P/L (cost of abnormal loss)	2,500
[(1,45,000 - 30,000 - 15,000) × $\frac{30}{150}$]		By Branch adjustment (Normal loss) (3,000 × $\frac{120}{150}$)	2,400
		By Balance c/d Stock in transit	
		(1,32,000 - 1,27,000)	5,000
		Stock of local purchase	
		(6,000 + 20%)	7,200
		Stock in hand (b.f.)	7,600
	3,05,000		3,05,000

Dr. **Mumbai Branch debtors A/c** **Cr.**

To Balance b/d	10,000	By Branch stock	30,000
To Branch Stock (Sale)	1,45,000	By Branch stock	15,000
		By Branch cash	45,635
		By Branch cash	40,000
		By Discount	13,365
		By Balance c/d (b.f.)	11,000
	1,55,000		1,55,000

Dr. **Mumbai Branch Adjustment A/c** **Cr.**

To Stock reserve		By Stock reserve	
(19,800 × 20/120)	3,300	(12,000 × 20/120)	2,000
To Branch stock		By Branch stock	
(Load on abnormal loss)	500	(Load on local purchase)	6,000
To Branch stock		By Branch stock	20,000
(Normal loss)	2,400	(Apparent surplus)	
To Branch P/L		By Goods sent to branch (load on net goods sent)	22,000
(Gross profit)	43,800	(1,32,000 + 60,000 - 24,000 - 24,000 - 12,000) × 20/120	

Dr. **Mumbai Branch Expenses A/c** **Cr.**

To Discount	13,365	By Branch Expenses A/c	
To Branch cash	9,741	By Branch P/L	23,106
	23,106		23,106

Dr. **Mumbai Branch Expenses A/c** **Cr.**

To Branch expenses	23,106	By Branch adjustment	43,800
To Branch stock (abnormal loss)	2,500	By Insurance claim	2,000
To Provision for discount (W.N.)	1,485		

To Mgr. Commission	1,059		
To General P/L	17,650		
	45,800		45,800

Calculation of provision for discount

Prompt paying debtors during year	=	$\frac{13,365}{15\%}$
	=	89,100
Total debtors who made payment during the year	=	45,635 + 40,000 + 13,365
	=	99,000
Proportion of prompt payers	=	$\frac{89,100}{99,000} \times 100$
	=	90%
Likely prompt paying debtors in closing debtors	=	11,000 × 90%
	=	9,900
Provision for discount	=	9,900 × 15%
	=	1,485

Chapter- 13: Self-Balancing Ledger and Sectional Balancing Ledgers

2014 - Dec [1] (d)

(i) No, It will not appear in Sales/Purchases ledger adjustment A/c since both items involved in the above transaction do not affect Debtors/ creditors and B/R and bank A/c's are maintained in General ledger only.

(ii) No

(iii) Yes

(iv) No

2014 - Dec [4] (a)

In General Ledger

Debtors Ledger Adjustment A/c

To Balance b/d	40,000	By General ledger adjustment A/c	
To General ledger adjustment A/c		Cash	73,000
Credit sales	49,000	Discount	2,600
B/R dishonoured	600	B/R	6,000

Cheques dishonoured	6,000	Bad debts	600
		Bad debts	500
		By Balance c/d	12,900
	95,600		95,600

Calculation of Credit Sales:

Sales = 60,000

\- Sale of furniture = 1,200

58,800

Let credit sales be x

$x + (x - .80x) = 58,800$

$x = \frac{58,800}{1.2}$

$x = 49,000.$

2014 - Dec [4] (c)

S. No.	Particular		₹	₹
(i)	In Debtor ledger			
	Meenu A/c	Dr.	8,700	
	To Meena			8,700
	(Being receipt from Meena wrongly recorded now rectified)			
(ii)	Debtors ledger Adjustment A/c (In GL)	Dr.	1,000	
	To General ledger Adjustment A/c (In DL)			1,000
	(Being error due to undercasting of sales book rectified)			
	Suspense A/c (In DL)	Dr.	1,000	
	To Sales A/c			1,000
	(Being error is sales A/c rectified)			
(iii)	M/S BPO Ltd. (In creditors ledger)	Dr.	15,600	
	To Purchase returns A/c			15,600
	(In General ledger)			

	Creditors ledger adjustment A/c Dr. (In General ledger) To General ledger adjustment A/c (In Creditors ledger) (Being goods returned to supplier non recorded earlier now recorded)	15,600	 15,600

Chapter- 14: Accounting for Service Sectors

2014 - Dec [1] (g)

₹ 10 lac would be capitalised to the cost of software and depreciation be claimed on ₹ 60 lac.

2014 - Dec [5] (a)

As per AS 9 in a transaction involving rendering of services, performances should be measured either under the completed service contract method or under proportionate completion method whichever relates the revenue to work accomplished.

Further, AS 9 states that revenue from advertising should be recognised when the service is completed.

In the current case, service regarding advertisement is considered completed when such advertisement appeared before public.

40% of advertisements appeared in November & 60% of advertisement appeared in December. Therefore, the profit of (700 + 240 - 520) ₹ 420 lakhs should be apportioned in 40% and 60% ratio which will be ₹ 168 lakhs in November 2013 & ₹ 252 lakhs in December,2013.

2014 - Dec [5] (b)

I **Amount of foreseeable loss**

Total Cost of construction (23 + 21 + 6)	50
Less: Total contract price	45
Total foreseeable loss to be recognised as expenses	5

As per AS 7, when it is probable that total contract costs will exceed total contract revenue, the expected loss should be recognised as an expense immediately.

II Contract work-in-progress

Work certified	23
Work not certified	6
	29

III Proportion of total contract value recognised as revenue

% of work completed $= \frac{29}{50} \times 100$ = 58%

Proportion of total contract value recognised as revenue

45 × 58 %

= 26.1

IV Amount due from customers

= contract costs + recognised profits - recognised losses

- progress payments received + progress payments to be received

= 29 + 0 - 5 - 20 + 6

= 10

The amount of ₹ 10 lakh will be shown in Balance Sheet as liability.

V Relevant disclosures under AS 7 are :

	(₹ in lakhs)
Contract revenue	26.1
Contract exp.	29
Recognised profits less loss	(5)
Retentions (billed but not received)	6
Gross amount due from customers	10

2014 - Dec [5] (c)

Internally generated computer software for internal use is developed or modified internally by the enterprise solely to meet the needs of the enterprise & at no stage it is planned to sell it.

For calculations of cost of asset, development of asset is divided in 2 parts:

(a) **Research Phase:** Research refers to stage of gaining knowledge. In this stage planned investigation is carried out with objective of gaining knowledge. All expenses incurred during this phase are written off in P/L A/c.

(b) **Development Phase:** Development refers to application of gained knowledge. Under this phase, expenses incurred are capitalized as Intangible assets, to the extent recoverable by Intangible assets, only if following conditions are satisfied.

(i) Technical feasibility has been established

(ii) Resources for asset exist.

(iii) Market for Intangible Asset exist.

(iv) Management has approved development.

If any of the above condition is not satisfied. It is called research & it is written off immediately in P/L A/c.

Chapter- 16: Consignment

2014 - Dec [1] (e)

Closing Stock	=	15% = 37,500
Cost of goods sent	=	2,50,000
Freight paid by Ajay	=	8,500
Insurance paid by Ajay	=	4,240
Cartage paid by Vijay	=	5,140
		2,67,880
2% is Normal loss, hence cost of goods sent	=	2,45,000
Closing Stock	=	$\frac{2,67,880}{2,45,000} \times 37,500$
	=	41,002.

2014 - Dec [1] (h)

	Cost	=	3,25,000
+	Consignor's expenses	=	65,000
			3,90,000
	Stock (i.e. 5,800 units)	=	$\frac{3,90,000}{6,500} \times 5,800$
		=	3,48,000

Note: 700 units lost in transit is Abnormal loss

Chapter - 17: Joint Venture

2014 - Dec [6] (c)

Profit Sharing ratio = 10 : 13

Joint Bank A/c

Particulars	Amount	Date	Particulars		Amount
To X	10,000		By J.V (Purchases)		15,000
To Y	13,000		By J.V (other exp.)		4,000
To J. V. (Sales)	45,000		By X	26,087	
			By Y	22,913	49,000
	68,000				68,000

Joint Venture A/c

Particulars	Amount	Particulars	Amount
To X (purchases)	10,000	By J.B. (sales)	45,000
To Y (expenses)	2,000		
To J.B. (purchases)	15,000		
To J.B. (expenses)	4,000		
To Profit to X	6,087		
To Profit to Y	7,913		
	45,000		45,000

X's A/c

To J. B. (repayment)	26,087	By J. V. (purchases)	10,000
		By J. B.	10,000
		By J. V. (profit)	6,087
	26,087		26,087

Y's A/c

To J.B. (repayment)	22,913	By J.V. (expenses)	2,000
		By J.B.	13,000
		By J.V. (profit)	7,913
	22,913		22,913

Chapter- 20: Investment Accounts

2014 - Dec [6] (a)

Investment A/c in the books of Jaipur Investment Ltd.
as on 31.3.2011

Date	Particulars	No.	Interest	Cost	Date	Particulars	No.	Interest	Cost
1.4.10	To Balance b/d	1,000	3,750	1,05,000	30.6.10	By Bank (interest)		11,250	
1.5.10	To Bank A/c	500	2,500	51,000	1.11.10	By Bank	600	3,000	57,300
30.11.10	To Bank	400	2,500	38,400		By P/L			5,700
31.12.10	To P/L			10,000	31.12.10	By Bank	400	3,000	52,000
31.3.11	To P/L		18,625		31.12.10	By Bank		6,750	
					31.3.11	By Balance c/d	900	3,375	89,400
		1,900	27,375	2,04,400			1,900	27,375	2,04,400

Calculation of ex-interest price

1.5.2010	Cum-interest price		= 53,500
	- Interest	$\left(50{,}000 \times \frac{15}{100} \times \frac{4}{12}\right)$	= <u>2,500</u>
	ex-interest		= 51,000
	Calculation of profit/loss on sale		
1.11.10	Sales Price		= 57,300
	- Cost	$\left(\frac{1{,}05{,}000}{1{,}000} \times 600\right)$	= <u>63,000</u>
	Loss		= 5,700

31.12	Cum-interest price	= 55,000
	- Interest $\left(40,000 \times \frac{15}{100} \times \frac{6}{12}\right)$	= <u>3,000</u>
	ex-interest/SP	52,000
	- Cost $\left(\frac{1,05,000}{1,000} \times 400\right)$	= <u>42,000</u>
	Profit	= 10,000
1.11.10	Interest = $\left(600 \times 100 \times \frac{15}{100} \times \frac{4}{12}\right)$	= 3,000
30.11.10	$\left(400 \times 100 \times \frac{15}{100} \times \frac{5}{12}\right)$	= 2,500

Chapter- 21: Insurance Claims

2014 - Dec [6] (b)

G.P. ratio $= \frac{\text{Net Profit} + \text{Insured standing charges}}{\text{Turnover of Last F.Y.}} \times 100$

$= \frac{20,000 + 28,000}{2,40,000} \times 100$

= 20%

Indemnity period T/O = 15,000

Adjusted standard T/O = 95,000

Short sales = 95,000 - 15,000

= 80,000

Loss of Profit = Short sales × G. P. ratio

= 80,000 × 20%

= 16,000

Additional Expenses:

Lower of

(i) Actual add. expenses = 600

(ii) G. P. red. in T/O avoided (15,000 × 20%) = 3,000

(iii) $\frac{\text{GP on Adjusted Annual Turnover}}{\text{GP on Adjusted Annual Turnover} + \text{Uninsured Standing Charges}} \times \textit{Actual}\ \text{exp.} = 576$

$\frac{2,45,000 \times 20\%}{(2,45,000 \times 20\%) + 2,000} \times 600$

	Loss of Profit	16,000
Add:	Expenses	576
Less:	Saving in standing charges	<u>1,500</u>
	Total loss	<u>15,076</u>

$$\text{Claim} = \frac{\text{Policy Amount}}{\text{G.P. Adjusted ATO}} \times \text{Total Loss}$$

$$= \frac{42,000}{49,000} \times 15,076$$

$$= 12,922$$

Chapter- 22: Accounts of Banking Companies

2014 - Dec [1] (j)

Computation of Provision

	₹
Doubtful Assets (upto 1 year)	6,73,000
Less: Value of security	1,50,000
	5,23,000
Less: ECGC cover (limited to ₹ 1 lakh)	1,00,000
Unsecured portion	4,23,000
Provision on secured portion @ 25% on 1,50,000	37,500
Provision on unsecured portion @ 100% on 4,23,000	4,23,000
Total provision	4,60,500

2014 - Dec [7] (a)

Answer:

CANHC Bank Limited

Profit & Loss A/c for year ended 31.03.2012

	Particulars	**Schedule No.**	**Year ended 31.03.2012 Amount (₹) (₹ '000)**
I.	**Income**:		
	Interest earned	13	596
	Other income	14	13
			609
II.	**Expenditure:**		
	Int. expended	15	230
	Operating exp.	16	92
	Provision & contingencies (72 + 31)		103
	Total		425

III.	**Profit or Loss**:		
	Net Profit for the year		184
	P/L brought forward		—
			184
IV.	**Appropriations:**		
	Transfer to statutory reserve @ 25%		46
	Balance carried over to Balance-sheet		138

Schedule 13
Interest earned

Interest/discount	596
(225 + 201 + 105 + 95 - 30)	
Interest on investments	—
Interest on balance with RBI & other banks	—
	596

Schedule 14
Other Income

Commission, exchange brokerage	47
(-) loss on investment	34
	13

Schedule 15
Interest expended

Interest on deposits (155 + 75)	230
Interest on RBI /other bank borrowings	
	230

Schedule 16
Operating Expense

Salaries & allowances	82
Printing & Stationery	5
Auditor fees	5
	92

Provision for Doubtful debts A/c

Dr. **Cr.**

Particulars	**Amount**	**Particulars**	**Amount**
To Bad debts	21	By Balance b/d	42
To Balance c/d	52	By P/L (B.f.)	31
	73		73

Provision for taxation

Particulars	**Amount**	**Particulars**	**Amount**
To Bank	54	By Balance b/d	66
To Balance c/d	84	By P/L (B.f.)	72
	138		138

Chapter- 23: Accounts of Electricity Companies

2014 - Dec [7] (c)

Current Cost of Replacement

Original Cost		Increased Cost
Material	24,00,000	33,60,000
Labour	14,40,000	25,92,000
Overhead	9,60,000	14,88,000
Current Cost of Represent (Total)	48,00,000	74,40,000
Total Cash Cost		1,20,00,000
Amount to be capitalised (1,20,00,000 - 74,40,000)		45,60,000

Amount to be charged to Revenue

Current Cost of replacement	74,40,000
(-) Reuse of old material	4,80,000
(-) Scrap sale	15,00,000
Amount charged to revenue	54,60,000

Plant A/c

Particulars	Amount	Particulars	Amount
To Balance b/d	48,00,000	By Balance c/d	98,40,000
To Bank	45,60,000		
To Replacement A/c (reuse)	4,80,000		
	98,40,000		98,40,000

Replacement A/c

Particulars	Amount	Particulars	Amount
To Bank	74,40,000	By Bank (sale of scrap)	15,00,000
(Current cost of replacement)		By Plant A/c	4,80,000
		By Revenue A/c	54,60,000
	74,40,000		74,40,000

Journal

Plant A/c	Dr.	45,60,000	
To Bank A/c			45,60,000
(Being amount capitalised)			
Replacement A/c	Dr.	74,40,000	
To Bank A/c			74,40,000
(Being plant replaced)			
Bank A/c	Dr.	15,00,000	
To Replacement A/c			15,00,000
(Being plant scrap sold)			
Plant A/c	Dr.	4,80,000	
To Replacement A/c			4,80,000
(Being plant reused)			

Chapter- 24: Accounts of Insurance Companies

2014 - Dec [1] (i)

Valuation Balance Sheet **(₹ in lakhs)**

Particulars	Amount	Particulars	Amount
Net liability on 31st March as per actuarial valuation	132	Life insurance fund	155
Surplus	23		
	155		155

2014 - Dec [7] (b)

Journal

1.4.13	Unexpired risk reserve (Marine) A/c		52.5	
	Unexpired risk reserve (Fire) A/c		55	
	Unexpired risk reserve (Misc.)		12.5	
	To Marine revenue A/c			52.5
	To Fire revenue A/c			55
	To Misc. revenue A/c			12.5
	(Being unexpired risk reserve b.f. from last year)			
31.3.14	Marine Revenue A/c	Dr.	53	
	To Unexpired risk reserve (Marine)			53
	(Being closing URR created)			
	(57 + 17.5 - 21.50) × 100%			
	Fire Revenue A/c	Dr.	60.50	
	To Unexpired risk reserve (Fire)			60.50
	(Being closing URR created)			
	(125 + 12.5 - 16.50) × 50%			
	Misc. revenue A/c	Dr.	15.75	
	To Unexpired risk reserve (Misc)			15.75
	(Being closing URR created)			
	(30 + 10 - 8.5) × 50%			

Unexpired Risk Reserve A/c

Dr. **Cr.**

Date	Particulars	Marine	Fire	Misc.	Date	Particulars	Marine	Fire	Misc.
1.4.13	To Revenue A/c	52.5	55.00	12.50	1.4.13	By Balance b/d	52.5	55.00	12.50
31.3.14	To Balance c/d	53.0	60.50	15.75	31.3.14	By Revenue A/c	53.0	60.50	15.75
		105.5	115.50	28.25			105.5	115.50	28.25

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FOR NOTES

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