

1. From the following, you are required to calculate the amount of claims paid to be shown on the debit of revenue account:

Claims paid during the year 2024	Rs 6,70,000
Claims outstanding as on 31-12-23	Rs 65,000
Claims outstanding as on 31-12-24	Rs 90,000
Legal expenses	Rs 30,000
Claims received under reinsurance ceded	Rs 30,000

2. Aakash Insurance Co. Ltd received Rs 4,50,000 as premium during year 2024-25. The company received Rs 1,10,000 towards reinsurance accepted and paid Rs 80,000 towards reinsurance ceded. How much amount will be credited to Revenue account towards premium?

3. From the following balances as on 31-3-2025, prepare the necessary Revenue Account for the marine insurance business of an insurance company:

Particulars	Direct business (Rs)	Reinsurance business (Rs)
A Premium:		
Received	92,00,000	14,40,000
Receivable – 1 st April 2024	3,72,000	54,000
31 st March 2025	5,24,000	51,000
Paid	-	9,20,000
Payable - 1 st April 2024	-	56,250
31 st March 2025	-	93,000
B Claims:		
Paid	47,00,000	6,00,000
Payable - 1 st April 2024	2,50,000	57,000
31 st March 2025	3,12,000	66,000
Received	-	2,55,000
Receivable - 1 st April 2024		24,000
31 st March 2025		34,500
Commission: On insurance accepted	4,40,000	38,000
On re-insurance ceded	-	39,000

Other expenses and Income:

Salaries Rs 4,80,000, Rent and taxes Rs 58,000, Postage Telegrams Stationery and Printing expenses Rs 86,000, Income tax paid Rs 6,60,000. Interest, Dividend and Rent received (net) Rs 2,80,000, Income tax deducted at source Rs 56,000:

Legal expenses (including Rs 36,000 incurred for settlement of claims) Rs 80,000.

Balance of fund on 1st April 2024 was Rs 76,90,000 including Additional Reserve of Rs 6,90,000, Additional Reserve is to be maintained at 5% of the net premium in the year.

4. Prepare fire revenue account of the Manisha Insurance Co. Ltd from the following details as on 31-12-2024

Particulars	Direct Business (Rs)	Reinsurance (Rs)
Premiums:		
Received	50,00,000	4,10,000
Receivable on 1-1-2024	3,00,000	40,000
Receivable on 31-12-2024	5,00,000	50,000
Paid:	-	5,00,000
Payable on 1-1-2024	-	50,000
Payable on 31-12-2024	-	70,000
Claims:		
Paid:	32,00,000	4,00,000
Payable on 1-1-2024	4,00,000	30,000
Payable on 31-12-2024	6,00,000	40,000
Received:	-	3,00,000
Receivable on 1-1-2024	-	40,000
Receivable on 31-12-2024	-	30,000
Commission		
Paid on direct business	1,50,000	-
Paid on re-insurance accepted	-	22,000
Received on re-insurance ceded	-	25,000

Other expenses and incomes:

Salaries Rs 1,60,000, Rent-rate and taxes – Rs 40,000, Printing and Stationery Rs 12,000, Bad debts Rs 8000, Legal expenses Rs 30,000 (including Rs 20,000, in connection with settlement of claims) Income tax Rs 3,00,000, Interest – Dividend and Rent (Net) Received Rs 50,000.

Balance of Funds on 1-1-2024. Reserve for unexpired risk of Rs 20,00,000. Additional Reserve Rs 2,00,000.

Balance of fund on 31-12-2024: Maintain reserve for unexpired risk at 50% and additional reserve at 5% of the net premium income for the year

5. Priyanshi India Insurance Co.Ltd presents the following information in respect of their fire and marine department for the year ended 31st March 2025:

Particulars	Fire (Rs)	Marine (Rs)
On 31-3-2024 Reserve for unexpected risk	5,00,000	6,00,000
Additional Reserve	2,00,000	1,50,000
Claims paid	3,00,000	2,40,000

Estimated liabilities in respect of outstanding claims		
On 31 st march 2024	50,000	40,000
On 31 st march 2025	75,000	50,000
Interest and dividend	99,900	85,500
Tax on above	39,900	25,500
Other income	10,000	5000
Premium received	10,20,000	5,10,000
Premium on Re-insurance accepted	30,000	15,000
Premium on Re-insurance ceded	50,000	25,000
Re-insurance recoveries	20,000	10,000
Commission on Re-insurance accepted	21,000	43,000
Commission on Re-insurance ceded	30,000	25,000
Commission on direct business	1,00,000	75,000

Other information:

1. The administrative expenses of Rs 2,25,000 and legal expenses of Rs 21,000 are to be apportioned between the two departments in the proportion of net premium received.
2. Reserve for unexpired risk should be maintained at 50% of net premium in case of fire insurance and 100% of net premium income in case of marine insurance.
3. Additional reserve to be increased by 10% at net premium in both departments.

Prepare revenue accounts for both the departments.

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6. From the following balances as on 31-3-2025, prepare the necessary Revenue Account for the fire insurance business of Bharat Insurance Co. Ltd.

Particulars	Amt (Rs)
Claims paid	14,40,000
Claims outstanding (1-4-2024)	1,20,000
Claims outstanding (31-3-2025)	2,10,000
Premium received on direct business	36,00,000
Premium on reinsurance accepted	1,80,000
Premium on reinsurance ceded	1,95,000
Commission on direct business	3,00,000
Commission on reinsurance ceded	30,000
Commission on reinsurance accepted	22,500
Administrative expenses	7,20,000
Reserve for future unexpired risk (1-4-2024)	12,00,000
Additional reserve (1-4-2024)	60,000
Bonus in reduction of premium	36,000
Reinsurance recoveries	24,000
Medical expenses on suits	15,000

Loss on sale of motor car	12,000
Bad debts	9000
Refund on double taxation	13,500
Interest and dividend	1,29,000
Tax on above	24,000
Rent of staff quarters deducted from salary	9000
Depreciation on furniture	12,000

Maintain reserve for unexpired risk as per code of conduct. Increase Additional Reserve by 2% of premium income.

7. From the following balances of Hi-Fi General Insurance Co. Ltd as on 31st March 2025 prepare

(a) Fire Revenue Account

(b) Marine Revenue Account

(c) Profit & Loss Account

Particulars	Amt (Rs)	Particulars	Amt (Rs)
Survey expenses (fire)	10,000	Commission on re-insurance ceded (marine)	60,000
Additional reserve opening (fire)	50,000	Commission on re-insurance ceded (fire)	30,000
Commission paid (marine)	1,08,000	Management expenses (fire)	1,45,000
Commission paid (fire)	90,000	Management expenses (marine)	4,00,000
Claims paid and outstanding (marine)	3,80,000	Marine premium less re-insurances	10,80,000
Claims paid and outstanding (fire)	1,80,000	Fire premium less re-insurances	6,00,000
Fire fund – opening	2,50,000	Profit on sale of land	60,000
Marine fund- opening	8,20,000	Miscellaneous receipts	5000
Bad debts recovered	1200	Differences in exchange (Cr)	300
Share transfer fee	800	Interest, dividends etc. received	14,000
Director's fee	5000	Depreciation	35,000
Auditor's fee	1200	Bad debts (marine)	12,000
Bad debts (fire)	5000		

In addition to usual reserves, additional reserve in case of fire insurance is to be increased by 5% of net premium.

From the following balances extracted from the books of Perfect General Insurance Company Limited as on 31-3-2025, you are required to prepare Revenue Accounts in respect of Fire and Marine Insurance business for the year ended 31-3-2025 and a Profit and Loss Account for the same period:

Director's fees	Rs 80,000	Interest received	Rs 19,000
Dividend received	Rs 1,00,000	Fixed assets (1-4-2024)	Rs 90,000
Provision for Taxation (as on 1-4-2024)	Rs 85,000	Income tax paid during the year	Rs 60,000

Particulars	Fire (Rs)	Marine (Rs)
Outstanding Claims on 1-4-2024	28,000	7000
Claims paid	1,00,000	80,000
Reserve for unexpired risk on 1-4-2024	2,00,000	1,40,000
Premium Received	4,50,000	3,30,000
Agent's commission	40,000	20,000
Expenses of management	60,000	45,000
Re-Insurance Premium (Dr.)	25,000	15,000

The following additional points are also to be taken into account:

- (1) Depreciation on Fixed Assets to be provided at 10% p.a.
 - (2) Interest accrued on investments Rs 10,000.
 - (3) Closing provision for taxation on 31-3-2025 to be maintained at Rs. 1,24,138.
 - (4) Claims Outstanding on 31-3-2025 were Fire Insurance Rs 10,000 Marine Insurance Rs 15,000.
 - (5) Premium outstanding on 31-3-2025 were Fire Insurance Rs 30,000 Marine Insurance Rs 20,000
 - (6) Reserve and Unexpired Risk to be maintained at 50% and 100% of net premiums in respect of Fire and Marine Insurance respectively.
 - (7) Expenses of management due on 31-3-2025 were Rs 10,000 for Fire Insurance and Rs 5000 in respect of Marine Insurance.
9. From the following figures taken from the books of New India Insurance Company Ltd. doing fire underwriting business, prepare the set of final accounts for the year ended on 31st March 2025:

Particulars	Amt (Rs)	Particulars	Amt (Rs)
Fire fund (as on 1-4-2024)	9,30,000	Commission on direct business	2,99,777
General Reserve	4,50,000	Commission on re-insurance accepted	60,038
Investments	36,00,000	Outstanding premium	22,300
Premiums	27,01,533	Claims intimated but not paid (1-4-2024)	60,000
Claims paid	6,02,815	Expenses on management	4,31,947
Share capital – 9000 Equity shares of Rs 100 each	9,00,000	Audit fees	36,000
Additional Reserve	3,30,000	Rates and taxes	5804
Profit & Loss A/c (Cr.)	75,000	Rent	67,500
Re-insurance premium	1,12,525	Income from investments	1,53,000
Claims recovered from re-insurers	21,119	Sundry Creditors	22,500
Commission on re-insurance ceded	48,01622	Agent's balance (Dr.)	20,000
Advance income tax paid	2,50,000	Cash on hand and bank balance	1,82,462

The following further information may also be noted:

- (a) Expenses of management include survey fees and legal expenses of Rs 36,000 and Rs 20,000 relating to claims.
- (b) Claims intimated but not paid on 31st March 2025 – Rs 1,04,000
- (c) Income tax to be provided at 55%
- (d) Transfer of Rs 2,00,000 to be made from current profits to General Reserve.

10. The following figures are from the books of Varuna Fire Insurance Company Ltd. at the end of their financial year ended 31st March 2025:

Particulars	Amt (Rs)	Particulars	Amt (Rs)
Fire fund	6,20,000	Share capital	6,00,000
General Reserve	3,00,000	Additional Reserve	2,20,000
Investments	20,00,000	Profit and loss A/c	50,000
Premiums	18,01,022	Re-insurance premium	75,017
Claims paid	4,01,877	Claims recovered from re-insurances	14,079
Commission on re-insurance ceded	32,011	Commission on direct business	1,99,777
Commission on re-insurance accepted	40,100	Outstanding premiums	14,865

Claims intimated but not paid (1-4-2024)	42,000	Expenses of management	2,87,965
Audit fees	12,000	Director's fees	12,000
Rates and Taxes	3869	Rents	45,000
Income from investment	1,00,000	Share transfer fees	2000
Loans (Dr.)	4,00,000	Sundry Creditors	15,000
Agents balance (Dr)	1,80,000	Cash in hand	20,155
Cash at Bank	1,01,481		

From the above you are required to prepare Fire Revenue Account, Profit and Loss Account and Balance Sheet of the company after taking into account the following:

- (1) Income tax to be provided Rs 2,50,000
- (2) Transfer to General Reserve Rs 1,00,000.
- (3) Proposed Dividend 12%
- (4) Claims intimated but not paid as on 31st March 2025: Rs 60,800