

**JYOTI NIVAS COLLEGE AUTONOMOUS  
SYLLABUS FOR 2019 BATCH AND THEREAFTER**

**Programme: M.Voc. (Banking and Finance)**

**Semester: IV**

**BANKING AND INSURANCE ACCOUNTING**

**Course Code: 19MVB405**

**No. of Hours: 60**

**COURSE OBJECTIVES:**

- The paper is offered to provide full knowledge of Banking and Insurance Company Accounts.
- It helps to learn accounting treatment for Banking Company, Interest on doubtful debts, and Rebate on bills discounted.
- Insurance Company Accounts relating to Life Insurance and General (Fire, Accident and Marine) will be the focus point of this paper.

**LEARNING OUTCOMES:**

- Understand NPAs and the strategies adopted to manage them.
- Prepare final accounts in Banking companies.
- Better understanding of Life Insurance Company Accounts.
- Learn how the books of accounts are prepared in General Insurance Companies.

**UNIT I: BASICS OF BANKING ACCOUNTS**

**10 HRS**

Forms of Business in which Banking companies may engage, General Information, Accounts and Audit, brief description of certain important books, ledgers and registers. Slip system of posting, Guidelines of the Reserve Bank of India for Profit and Loss Account & Balance Sheet, Explanation of items appearing in the final accounts including journal entries for transactions like bills for collection, Acceptances, Endorsements and other obligation, bill discounted, rebate on bills discounted, interest on doubtful debts and revaluation of investment.

Meaning, causes of NPAs, Impact of NPAs, Factors Contributing to NPAs, Management of NPAs, Prudential Accounting Norms set by RBI, Classification of Bank Advances, Income Recognition.

**UNIT II: FINAL ACCOUNTS OF BANKING COMPANY**

**12 HRS**

Treatment of special items like interest on doubtful debts and rebate on bills discounted, preparation of final accounts, Preparation of profit & loss account and balance sheets with various advanced adjustments - Form A and Form B.

**UNIT III: LIFE INSURANCE COMPANY ACCOUNTS**

**12 HRS**

Introduction- Classes of Insurance Business Explanation of terms Claim, Premium, bonus, surrender, value, annuity, reinsurance etc. The forms of revenue account and balance sheet, Explanation of items including journal entries for adjustment like outstanding claims bonus in

reduction of premium, interest accrued on investments. outstanding premium and claims on the reinsertion Ascertainment of profit of a Life Insurance Company, Accounting procedure relating to preparation of valuation balance sheet and statement showing results of valuation problems.

**UNIT IV: FINAL ACCOUNTS OF LIFE INSURANCE COMPANY 11 HRS**

Meaning-Type of Insurance – Life Insurance – General Insurance – Accounts of Life Insurance Business – Statutory & Subsidiary Books – Determination of Net Liability and Amount due to policy holders – Preparation of Revenue Accounts and Balance sheet according to IRDA guidelines – provisions relating to the treatment of reserves fund – Preparation of Revenue Account , Profit And Loss account, Profit and loss appropriation account and Balance Sheet.

**UNIT V: ACCOUNTS OF GENERAL INSURANCE COMPANY 15 HRS**

Meaning, Preparation of Revenue Account for Fire and Marine, Treatment of Reserve or Provision to be Carried Forward, Preparation of Profit and Loss Account in Form B, Preparation of Profit and Loss Appropriation Account in Form C, Preparation of Balance Sheet. (Practical Problems)

**PRACTICAL COMPONENTS:**

- Finding the procedure to become an insurance agent.
- Collect the accounting details of any life insurance company and prepare its revenue account
- Collect information of any insurance company policy specially for rural upliftment.
- List and collect the details of any two new policy offered by private Insurance Company.
- Collect the balance sheet of two year of any two bank and analyse the financial performance.

**BOOKS FOR REFERENCE:**

1. Bodla, B.S.(2012).Principles and Practices of Insurance and Banking. Deep& Deep Publication.
2. Raman B.S.(2014).Banking. Mangalore, United Publishers.
3. Gorden E., & K. Natarajan.(2010),.Law and Practice of Banking, Mumbai: Himalaya Publishing Hose.