

General Insurance Company - Short Questions

1. Briefly explain the difference in accounting treatment between "Commission on Reinsurance Accepted" and "Commission on Reinsurance Ceded" in the Revenue Account.
2. If Commission on Direct Business is ₹3,00,000, Commission on Reinsurance Accepted is ₹22,500, and Commission on Reinsurance Ceded is ₹30,000, calculate the Net Commission expense.
3. How do you treat "Bad Debts Recovered" in the final accounts of a General Insurance Company?
4. What is the accounting treatment of "Bonus in reduction of premium" in the Revenue Account?
5. Increase Additional Reserve by 2% of premium income and the Net Premium is ₹35,85,000, how much provision must be debited to the Revenue Account?
6. If Interest & Dividend received net is ₹2,80,000 and Income Tax deducted at source is ₹56,000, what is the Gross Interest income to be shown in the Revenue?
7. A company has the following figures: Direct Premium Received ₹10,20,000; Premium on Reinsurance Accepted ₹30,000; Premium on Reinsurance Ceded ₹50,000. Calculate the Net Premium Income.
8. The Net Premium for a Marine Insurance business is calculated to be ₹3,15,000. Following the code of conduct mentioned in the text, calculate the required closing Balance of Reserve for Unexpired Risk.
9. A Fire Insurance company's Net Premium is ₹35,85,000. The policy requires increasing the Additional Reserve by 2% of the premium income. Opening balance of additional Reserve is ₹60,000. Calculate the amount of additional reserve provision to be debited this year.
10. Amount of Claims Paid = ₹3,00,000; Outstanding Claims (Opening) = ₹50,000; Outstanding Claims (Closing) = ₹75,000; Reinsurance Recoveries = ₹20,000. Calculate the Net Claims Incurred.
11. An insurance company received Net Interest and Dividends of ₹1,29,000 after a Tax deduction at source (TDS) of ₹24,000. Calculate the Gross Interest and Dividend income to be credited.
12. Commission on direct business = ₹4,40,000; Commission on reinsurance accepted = ₹38,000; Commission on reinsurance ceded = ₹39,000. Calculate the net commission expense.