

**PCO - 01**

**Bachelor's Preparatory Programme  
(BPP)**

**ASSIGNMENT  
2016**

**PCO – 01: PREPARATORY COURSE IN COMMERCE  
For January 2016 and July 2016 admission cycle**



**School of Management Studies  
Indira Gandhi National Open University  
Maidan Garhi, New Delhi -110 068**

**Bachelor's Preparatory Programme  
PCO – 01: Preparatory Course in Commerce**

**ASSIGNMENT- 2016**

Dear Students,

As explained in the Programme Guide, you have to do one Tutor Marked Assignment in this Course.

Assignment is given 30% weightage in the final assessment. To be eligible to appear in the Term-end examination, it is compulsory for you to submit the assignment as per the schedule. Before attempting the assignments, you should carefully read the instructions given in the Programme Guide.

This assignment is valid for two admission cycles **(January 2016 and July 2016)**

You have to submit the assignment of all the courses to The Coordinator of your Study Centre. For appearing in **June Term-end Examination**, you must submit assignment to the Coordinator of your Study Centre latest by **15<sup>th</sup> March**. Similarly for appearing in **December Term-end Examination**, you must submit assignments to the Coordinator of your Study Centre latest by **15<sup>th</sup> September**.

## TUTOR MARKED ASSIGNMENT (TMA)

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Course Code : PCO - 01  
Course Title : Preparatory Course in Commerce  
Assignment Code : PCO - 01/TMA/2016  
Coverage : All Blocks

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**Maximum Marks: 100**

**Attempt all the questions.**

1. What do you mean by business? Explain the various types of business activities. (10)
2. Define Accounting. Explain its scope. (10)
3. Journalise the following transactions in the Books of Sita Ram:-  

2015	Rs.
April 1 Sita Ram started business with cash	500000
3 Purchased goods for cash	200000
7 Sold goods for cash	100000
9 Bought machinery on credit from Anil	60000
11 Paid Rent	5000
17 Received commission	2000
20 Paid cash to Ram	11000
24 Received cash from Mahesh	10000

 (20)
4. What is imprest system of Petty Cash Book? Explain its advantages. (10)
5. What is meant by Bank Reconciliation Statement? Explain the purposes of preparing this statement. (10)
6. What are rectifying entries? How are two sided and one sided errors rectified? (10)
7. What is a Trial Balance? Prepare a Trial Balance with imaginary figures. (10)

8. Distinguish between 'Capital Expenditure' and ' Revenue Expenditure' with suitable examples. (10)
9. From the following Trial balance of Shri Rai Bahadur prepare Trading and Profit Loss A/c for the year ending 31<sup>st</sup> December, 2014 and Balance Sheet as on that date. The Closing Stock on 31<sup>st</sup> December, 2014 was valued at Rs. 25,000.

<b>Debit Balances</b>	<b>Rs.</b>	<b>Credit Balances</b>	<b>Rs.</b>
Stock (1.1.2014)	20,000	Sundry Creditors	15,000
Purchases	75,000	Purchases Return	3,000
Sales Return	8,000	Sales	2,50,000
Freight and Carriage	7,500	Commission	3,300
		Capital	1,70,000
Wages	36,500	Interest on Bank Deposit	2,000
		B/P	6,200
Salaries	12,000		
Repairs	1,200		
Trade Expenses	4,000		
Rent and Taxes	24,000		
Cash in Hand	5,700		
B/R	4,000		
Debtors	55,000		
Plant and Machinery	1,60,000		
Withdrawals (Drawings)	16,600		
Bank Deposit	20,000		
	<b>4,49,500</b>		<b>4,49,500</b>

(10)