

**PCO - 01**

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

**ASSIGNMENTS  
2017**

**Preparatory Course in Commerce**



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

## **PCO – 01: Preparatory Course in Commerce ASSIGNMENTS 2017**

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 2017 and July 2017**). The validity is given below:

1. Those who are enrolled in **January 2017**, it is valid upto **June 2017**.
2. Those who are enrolled in **July 2017**, it is valid upto **December 2017**.

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**.

<p><b>Note :</b> In case you receive the study material and assignments late, you can submit the assignment responses within one month after receiving the study material.</p>
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## TUTOR MARKED ASSIGNMENT

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<b>Course Code</b>	<b>:</b>	<b>PCO – 01</b>
<b>Course Title</b>	<b>:</b>	<b>Preparatory Course in Commerce</b>
<b>Assignment Code</b>	<b>:</b>	<b>PCO – 01/TMA/2017</b>
<b>Coverage</b>	<b>:</b>	<b>All Blocks</b>

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**Maximum Marks: 100**

- Q 1. What do you mean by business? Explain various parties who assist in the flow of goods from producer to consumers.
- Q2. What do you understand by ‘Double Entry System’? How is it different from ‘Single Entry System’? Discuss.
- Q3. From the following transactions, determine the accounts affected, classify them and state whether it is to be debited or credited.

**Rs.**

a	Purchased typewriter for cash	10,000
b	Purchased furniture form R & Co. on credit	55,000
c	Interest received	5,00
d	Paid wages	1,000
e	Received cash from ‘A’	15,00
f	Additional capital introduced in to the business	5,00,000
g	Paid cash to ‘B’	2,000
h	Paid carriage	5,00
i	Purchased goods from F & Co. on credit	10,000
j	Sold goods for cash	2,000

- Q4. What is Trial Balance? How is it prepared? Explain.
- Q5. What are the advantages of maintaining a Petty Cash Book? Explain.
- Q6. Explain the procedure of preparing a Bank Reconciliation Statement. State various reasons of disagreement between the balances shown by the Cash Book and the Pass Book.
- Q7. How would you determine whether a particular expenditure is capital or revenue? Give five examples of each.
- Q8. Differentiate between the following:
- (a) Gross Profit and Net Profit
  - (b) Direct Expenses and Indirect Expenses

- Q9. What are one sided errors? Give any five examples. Explain the method of rectifying one-sided errors.
- Q10. From the following Trial Balance of Sh Ved Vyas, prepare Trading and Profit & Loss Account for the year ended 31<sup>st</sup> December, 2015 and Balance Sheet as on that date:

	Dr. Rs.	Cr. Rs.
Purchases and Sales	2,75,000	5,20,000
Returns Inwards	15,000	
Returns Outwards		9,000
Carriage	12,400	
Wages and Salaries	58,600	
Trade Expenses	2,200	
Rent		13,000
Insurance	2,000	
Audit Fees	1,200	
Debtors and Creditors	1,10,000	62,100
B/R and B/P	3,300	2,200
Printing and Advertising	5,500	
Commission		1,000
Opening Stock	36,000	
Cash in hand	12,800	
Cash at Bank	26,800	
Bank Loan		20,000
Interest on Loan	1,500	
Capital		2,50,000
Drawings	15,000	
Fixed Assets	3,00,000	
	8,77,300	8,77,300

**Adjustments:-**

1. Stock at the end Rs. 60,000
2. Depreciate Fixed Assets by 10%
3. Commission earned but not received amounts to Rs. 400
4. Rent received in advance Rs. 1,000
5. Allow 8% interest on Capital and charge Rs. 900 as interest on Drawings.