

**PCO - 01**

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

**ASSIGNMENTS  
2019**

**Preparatory Course in Commerce**



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

## **PCO – 01: Preparatory Course in Commerce ASSIGNMENTS 2019**

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 2019 and July 2019**). The validity is given below:

1. Those who are enrolled in **January 2019**, it is valid up to **June 2019**.
2. Those who are enrolled in **July 2019**, it is valid up to **December 2019**.

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 30<sup>th</sup> April**. Similarly for appearing in **December Term-end Examination**, you must submit assignments to the Coordinator of your study centre **latest by 31<sup>st</sup> October**.

<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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Course Code	:	PCO – 01
Course Title	:	Preparatory Course in Commerce
Assignment Code	:	PCO – 01/TMA/2019
Coverage	:	All Blocks

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**Note: Attempt all the questions. Each question carries equal marks.**

**Maximum Marks: 100**

- Q1. What are the different forms of Business Organization? Briefly explain.
- Q2. Describe any two accounting concepts which guide the accountant at the recording stage.
- Q3. From the following transactions, determine the accounts affected, classify them and state whether it is to be debited or credited.

**Rs.**

<b>A</b>	Purchased Furniture for Cash	75,000
<b>B</b>	Purchased Machinery from Gamma Ltd. on Credit	2,00,000
<b>C</b>	Rent Paid	2,500
<b>D</b>	Received Commission	12,000
<b>E</b>	Received Cash from Sudheer and Company	20,000
<b>F</b>	Additional Capital Introduced in the Business	1,00,000
<b>G</b>	Paid Cash to Ramlal Bros.	18,000
<b>H</b>	Paid Carriage	5,000
<b>I</b>	Goods Purchase from Shyam & Company on Credit	10,000
<b>J</b>	Goods Sold for Cash	25,000

- Q4. What are the advantages of maintaining a Petty Cash Book? Explain the methods of balancing and posting the Petty Cash Book.
- Q5. What is a Journal Proper? Explain the transactions recorded in the Journal Proper.
- Q6. Why is distinction between capital and revenue important? Give examples to show how wrong classification can affect the ascertainment of profit.
- Q7. Give a Performa of Profit and Loss Account. Also explain the closing entries for the P/L Account.
- Q8. What is a Suspense Account? When is it opened? How do you rectify the errors when a suspense account has already been opened?
- Q9. What do you understand by the Principle of Double Entry? Give the rules of debit and credit with suitable examples.

Q10. From the following Trial Balance of Sh Ram Sharan, prepare Trading and Profit & Loss Account for the year ended 31<sup>st</sup> December, 2018 and Balance Sheet as on that date:

	Dr. Rs.	Cr. Rs.
Purchases and Sales	3,00,000	5,00,000
Returns Inwards	15,000	
Returns Outwards		9,000
Carriage	12,000	
Wages and Salaries	58,000	
Trade Expenses	2,800	
Rent		33,000
Insurance	1,200	
Audit Fees	2000	
Debtors and Creditors	85,000	62,000
Bills Receivable and Bills Payable	3,300	2,300
Printing and Advertising	5,900	
Commission		5,000
Opening Stock	30,000	
Cash in Hand	12,800	
Cash in Bank	26,800	
Bank Loan		20,000
Interest on Loan	1,500	
Capital		2,46,000
Drawings	21,000	
Fixed Assets	3,00,000	
	8,77,300	8,77,300

**Adjustments:-**

1. Stock at the end Rs. 50,000
2. Depreciate Fixed Assets by 8%
3. Commission earned but not received amounts to Rs. 500
4. Rent received in advance Rs. 3300
5. Allow 6 % interest on Capital and charge Rs. 1000 as interest on Drawings.