

PCO - 01

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

**ASSIGNMENT
2014-15**

**PCO – 01: PREPARATORY COURSE IN COMMERCE
For July 2014 and January 2015 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- 2014-15

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 (**July 2014 and January 2015.**) The validity is given below:

1. Those who are enrolled in **July 2014**, it is valid upto **June 2015**.
2. Those who are enrolled in **January 2015**, it is valid upto **December 2015**.

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 **15th March**. Similarly for appearing in **December Term-end Examination**, you must submit assignments to the Coordinator of your study centre latest by **15th September**.

TUTOR MARKED ASSIGNMENT

Course Code	:	PCO - 01
Course Title	:	Preparatory Course in Commerce
Assignment Code	:	PCO - 01/TMA/2014-15
Coverage	:	All Blocks

Maximum Marks: 100

Attempt all the questions.

1. (a) What do you mean by business? Explain various types of business activities.
(b) Name the different parties interested in accounting information and explain why do they want it.

(10+10)

2. The following balances appeared in the books of Sh. Ashok Chakravarti as on 1st January, 2013.

Assets – Cash Rs. 20,000; Stock Rs. 45,000; Anil Brothers Rs. 15,600; Gopal Rs. 22,000; Machinery Rs. 60,000.

Liabilities – Mohan Kapur Rs. 4,000.

Following transactions took place in January 2013: -

- January 3 Sold goods for Cash Rs. 5,000 and on credit Rs. 8,000 to Anil Brothers.
5 Anil Brothers returned goods for Rs. 2,000.
7 Purchased goods from Mohan Kapur, list price of Rs. 6,000 Valued at Rs. 5,400.
8 Bought goods of the list price of Rs. 20,000 from Raghu Thakur, less 15% trade Discount and 5% cash discount and paid 60% price immediately.
15 Paid to Mohan Kapur Rs. 9,150 in full settlement of his account.
20 Received from Anil Brothers Rs. 20,000
28 Paid Rs. 800 for the Life Insurance Premium of the proprietor.
31 Paid for Rent Rs. 2,000
31 Received for commission Rs. 600.

Pass Journal Entries for the above transactions, post them into Ledger, balance the accounts and prepare a Trail Balance. (20)

3. Prepare a Bank Reconciliation Statement as on 30th September, 2013 from the following particulars:

		Rs.
(i)	Bank balance as per the Pass-book	10,000
(ii)	Cheque deposited into the bank, but no entry was passed in the Cash-book	500
(iii)	Cheque received and entered in the Cash book but not sent to bank	1,200
(iv)	Credit side of the bank column Cash book cast short	200
(v)	Insurance Premium paid directly by the bank under the standing advice	600
(vi)	Bank charges entered twice in the Cash book	20
(vii)	Cheque issued, but not presented to the bank for payment	500
(viii)	Cheque received entered twice in the Cash book	1,000
(ix)	Bill discounted dishonoured not recorded in the Cash book	5,000

(20)

4. (a) How would you determine whether a particular expenditure is capital or revenue? Give five examples of each.

(b) Distinguish between cash basis and accrual basis of accounting with examples.

(10+10)

5. (a) What are one-sided errors? Give five examples. Explain the method of rectifying one-sided errors.?

(b) What is meant by provision for bad-debts? Explain the treatment of provision for bad-debts in final accounts.

(10+10)