

PCO - 01

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

**ASSIGNMENT
2013-14**

**PCO – 01: PREPARATORY COURSE IN COMMERCE
For July 2013 and January 2014 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- 2013-14

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 2013 and January 2014.**) The validity is given below:

1. Those who are enrolled in **July 2013**, it is valid upto **June 2014.**
2. Those who are enrolled in **January 2014**, it is valid upto **December 2014.**

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/2013-14
Coverage	:	All Blocks

Maximum Marks: 100

Attempt all the questions.

1. What do you understand by accounting equation? Explain with suitable examples. (20)

2. Write short notes on the following:
 - (a) Principle of Marketing
 - (b) Principle of Materiality (5+5)

3. Enter the following transactions in a double column cash book :

2013		Rs.
March	1	Commenced business with cash 50,000
	2	Bought goods for cash 6,000
	5	Sold goods for cash 20,000
	10	Received from Naresh & Company 9,800 and discount allowed 200
	13	Paid to Sunil 5,000
	15	Cash sales 10,000
	18	Purchased furniture for office 12,000
	20	Paid wages 500
	24	Rent Received 600
	26	Received Interest 500
	28	Withdrew for personal expenses 1500
	31	Paid to Shyam & Company and 13,750 Discount allowed by them 250

(20)

4. Is Trial Balance merely a proof of arithmetical accuracy? Explain the errors which are not disclosed by a trial balance. (10)

5. Explain the reasons on account of which the balance shown by Pass Book does not agree with the balance shown by bank column of the Cash Book. (10)

6. Give Journal entries to rectify the following errors:
1. Goods purchased from Ram for Rs. 3,000 were recorded in sales book by mistake.
 2. Goods for Rs. 4,000 sold to Anil were passed through purchase book.
 3. A customer returned goods worth Rs. 1,500. It was recorded in 'Purchase Return Book'.
 4. A credit sale of Rs. 126 to Mohan was entered in the books as Rs. 162.
 5. Sales of old Tables for Rs. 650 was treated as sales of goods.
 6. Rent of proprietor's residence, Rs. 1,000, debited to Rent A/c. (10)
7. From the following Trial Balance of Dashrath & Company, prepare Trading and Profit & Loss Account for the year ended 31st December, 2012 and a Balance Sheet as on that date:-

Dr. Balances	Rs.	Cr. Balances	Rs.
Opening Stock	21,000	Sales	2,90,000
Purchases	90,000	Purchase Return	5,000
Sales Return	5,000	Discount	5,200
Carriage Inwards	3,600	Sundry Creditors	24,000
Carriage Outwards	800	Bills Payable	1,800
Wages	32,000	Capital	55,000
Salaries	27,500		
Plant & Machinery	85,000		
Furniture	13,000		
Sundry Debtors	52,000		
Bills Receivable	2,600		
Cash in Hand	6,200		
Travelling Expenses	3,500		
Lighting	1,600		
Rent and Taxes	7,000		
General Expenses	10,700		
Insurance	1,500		
Drawings	18,000		
	3,81,000		3,81,000

Adjustments:-

- (1) Stock on 31st December, 2012 was valued at Rs. 24,000 (Market Value Rs. 30,000).
- (2) Wages outstanding for December, 2012 amounted to Rs. 3,000.
- (3) Salaries outstanding for December, 2012 amounted to Rs. 2,500.
- (4) Prepaid insurance amounted to Rs. 300.
- (5) Provide depreciation on Plant and Machinery at 5% and on Furniture at 20%. (20)