

PCO-01

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

**ASSIGNMENT
2010-11**

PCO-01: 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

Assignment 2010-11

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 given below. Before attempting the assignment, you should carefully read the instructions given in the Programme Guide.

This assignment is valid for two admission cycles (January 2010 and July 2010). The Validity period is given below:

1. For those who are enrolled in **January 2010** session, it is valid upto **December 2010**.
2. For those who are enrolled in **July 2010** session, it is valid upto **June 2011**.

You have to submit the assignment to **The Coordinator of your Study Centre**. For appearing in **June Term-end Examination**, you must submit the assignment to the coordinator of your study centre **latest by 30th April**. Similarly for appearing in **December Term-end Examination**, you must submit the assignment to the Coordinator of your study centre **latest by 31st October**.

Note: In case you receive the study material and assignment late, you can submit the assignment responses within one month after receiving the study material.

PCO-01: PREPARATORY COURSE IN COMMERCE
TUTOR MARKED ASSIGNMENT

Course Code : PCO-01
Course Title : Preparatory Course in Commerce
Assignment Code : PCO-01/TMA/2010-11
Assignment Coverage : All Blocks

Maximum Marks: 100

Attempt all the questions.

1. What are the types of account? Give the rules of debit and credit of the three types of accounts. Explain the reasons of the popularity of double entry system. (20)

2. Explain how the following transactions would be recorded in a cash book with Cash and Bank columns ?
 - i) Deposit of cash into Bank
 - ii) Withdrawal of money from Bank for office use
 - iii) Deposit of cheques (received from others) into Bank
 - iv) Dishonour of cheques deposited into Bank (4 × 5)

3. While preparing Bank Reconciliation Statements will you add or deduct the following to or from the Cash Book overdraft balance?
 - i) Cheques deposited but dishonoured
 - ii) Cheques drawn but not cleared
 - iii) Interest on overdraft
 - iv) Direct amount deposited by the customer into Bank. (4 × 5)

4. “Trial Balance is not a conclusive proof of the accuracy of the books of accounts.” Explain this statement and explain the errors which are not disclosed inspite of the agreement of Trial Balance. (4 × 5)

5. From the following Trial Balance of Seema Garments as on 31st Dec., 2007, prepare Trading Profit and Loss Account and Balance Sheet:

	Dr. Rs.	Cr. Rs.
Opening Stock	15000	
Purchases and Sales	109000	180000
Manufacturing Wages	8000	
Fuel, Power and Lighting	12000	
Salaries	11000	
Income Tax	5500	
Loan to Mr. X at 10% pa.	5000	
Interest on Mr. X's Loan		300
Apprentice Premium		4500
Rent	4000	
Rent Owing		600
Furniture (includes furniture of Rs.1000 purchased on 1st July, 2007)	5000	
B/R and B/P	6000	1600
Plant	72000	
Debtors and Creditors	28000	13000
Capital		100000
Cash	19500	
	<u>300000</u>	<u>300000</u>

Informations:

1. Closing Stock was valued at Rs. 30,000.
2. Goods worth Rs. 5000 was sold on 28th December, but no entry was passed to this effect.
3. Goods costing Rs. 7000 was purchased and included into Stock but no entry was passed to record the purchases.
4. Create a provision of 2% for discount on debtors.
5. Apprentice premium received on 1st January, 2007 was for 3 years.
6. Depreciate the furniture by 10% p.a.
7. Salaries for the month of December, 2007 are still outstanding. (20)