

**Bachelor's Degree Programme
(BDP)**

ASSIGNMENT

2020-2021

Elective Course in Commerce

PCO-01: PREPARATORY COURSE IN COMMERCE

For July 2020 and January 2021 admission cycle



School of Management Studies

Indira Gandhi National Open University

Maidan Garhi, New Delhi -110068



**School of Management Studies
Indira Gandhi National Open University**

**Elective Course in Commerce
PCO – 01: PREPARATORY COURSE IN COMMERCE
ASSIGNMENT: 2020-21**

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 2020 and January 2021**). The validity is given below:

1. Those who are enrolled in **July 2020**, it is valid up to **June 2021**.
2. Those who are enrolled in **January 2021**, it is valid up to **December 2021**.

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/2020-21
Coverage	:	ALL BLOCKS

Maximum Marks: 100

Attempt all the questions:

- Q.1** What do you mean by business? Explain the various types of business activities. Name various parties who assist in the flow of goods from Producer to the Consumers. **(2,5,3)**
- Q.2** What do you understand by the Principle of Double Entry? Give the rules of Debit and Credit with suitable examples. Discuss various stages involved in Accounting Process. **(2,4,4)**
- Q.3** Journalize the following transactions, post them into Ledger and prepare a Trial Balance. **(4,4,2)**
- a) Business started with a capital of Rs 4, 00,000
 - b) Furniture purchased from Rai & Sons on credit Rs. 1, 00,000
 - c) Payment made to Shaliny & Brothers Rs. 12,000
 - d) Commission Received from Rajasthan Handlooms Rs. 6,000
 - e) Goods purchased from Raghuvveer & Sons Rs. 5, 00,000
 - f) Interest paid to Dayal & Sons Rs. 7,000
- Q.4** Why is journal sub-divided? Name the special journals and state the types of transactions entered in each of them. **(3,7)**
- Q.5** State various causes of disagreement between the balances shown by the Cash Book and Pass Book. Explain the procedure of preparing a Bank Reconciliation Statement. **(5,5)**
- Q.6** Distinguish between Cash Basis and Accrual Basis of Accounting with examples. Briefly explain the accounting concepts to be observed at the time of preparing Final Accounts. **(5,10)**
- Q.7** How would you determine whether a particular expenditure is Capital or Revenue? Give five examples of each. Explain the concept of Deferred Revenue Expenditure with suitable example. **(10,5)**
- Q.8**
- a) What is meant by Provision for Bad Debts and Provision for Discount on Debtors? Explain their treatment in Final Accounts. **(5,5)**
 - b) What is one- sided errors? Give five examples. Explain the methods of rectifying one- sided errors. **(2,3,5)**