

**PCO-01**

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

**ASSIGNMENT  
2012-13**

**PCO-01: PREPARATORY COURSE IN COMMERCE**

**For July 2012 and January 2013 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 – 2012-13**

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 2012 and January 2013.)** The validity is given below:

1. Those who are enrolled in **July 2012**, it is valid upto **June 2013**.
2. Those who are enrolled in **January 2013**, it is valid upto **December 2013**.

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

<p><b>Note : In case you receive the study material and assignments late, you can submit the assignment responses within one month after receiving the study material.</b></p>
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## TUTOR MARKED ASSIGNMENT

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<b>Course Code</b>	<b>:</b>	<b>PCO-01</b>
<b>Course Title</b>	<b>:</b>	<b>Preparatory Course in Commerce</b>
<b>Assignment Code</b>	<b>:</b>	<b>PCO-01/TMA/2012-13</b>
<b>Assignment Coverage</b>	<b>:</b>	<b>All Blocks</b>

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**Maximum Marks : 100**

### Attempt all the questions

1. “Accounting Equation is true under all circumstances.” Justify this statement with the help of examples. (20)

2. Write short notes on the following:  
(a) Principle of Consistency  
(b) Principle of Full Disclosure (5+5)

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

2012		Rs.	
March	1	Commenced business with cash	20,000
	2	Bought goods for cash	5,000
	5	Sold goods for cash	4,000
	10	Goods purchased from Ravi on credit	10,000
	13	Paid to Ravi	7,000
	15	Cash sales	8,000
	18	Purchased furniture for office	6,000
	20	Paid wages	380
	24	Paid rent	400
	26	Received commission	600
	28	Withdrew for personal expenses	1,000
	31	Paid salary	900

(20)

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. (10)

5. How is a Bank Reconciliation Statement prepared? Give a Performa example of the same, with figures, starting with overdraft as per Pass Book. (10)

6. Give Journal entries to rectify the following errors:
1. Goods purchased from Ajay for Rs. 2,600 were recorded in sales book by mistake.
  2. Goods for Rs. 4,400 sold to Surendra were passed through purchase book.
  3. A customer returned goods worth Rs. 1,000. It was recorded in 'Purchase Return Book'.
  4. A credit sale of Rs. 126 to Rajesh was entered in the books as Rs. 162.
  5. Sales of old Chairs and Table for Rs. 700 was treated as sales of goods.
  6. Rent of proprietor's residence, Rs. 800, debited to Rent A/c. (10)
7. From the following Trial Balance of Sh. Rama Nand Sagar, prepare Trading and Profit & Loss Account for the year ended 31<sup>st</sup> **December, 2010 and a Balance Sheet as on that date:-**

Dr. Balances	Rs.	Cr. Balances	Rs.
Opening Stock	20,000	Sales	2,70,000
Purchases	80,000	Purchase Return	4,000
Sales Return	6,000	Discount	5,200
Carriage Inwards	3,600	Sundry Creditors	25,000
Carriage Outwards	800	Bills Payable	1,800
Wages	42,000	Capital	75,000
Salaries	27,500		
Plant & Machinery	90,000		
Furniture	8,000		
Sundry Debtors	52,000		
Bills Receivable	2,500		
Cash in Hand	6,300		
Travelling Expenses	3,700		
Lighting	1,400		
Rent and Taxes	7,200		
General Expenses	10,500		
Insurance	1,500		
Drawings	18,000		
	3,81,000		3,81,000

Adjustments:-

- (1) Stock on 31<sup>st</sup> December, 2010 was valued at Rs. 24,000 (Market Value Rs. 30,000).
- (2) Wages outstanding for December, 2010 amounted to Rs. 3,000.
- (3) Salaries outstanding for December, 2010 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)