

**ECO - 02**

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

**ASSIGNMENT  
2013-14**

**Elective Course in Commerce  
ECO – 02: ACCOUNTANCY - I**

**For July 2013 and January 2014 admission cycle**



**School of Management Studies  
Indira Gandhi National Open University  
Maidan Garhi, New Delhi -110 068**

## **Elective Course in Commerce**

### **ECO – 02: Accountancy - I**

### **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 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**.

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**TUTOR MARKED ASSIGNMENT**

<b>Course Code</b>	:	<b>ECO - 02</b>
<b>Course Title</b>	:	<b>Accountancy – I</b>
<b>Assignment Code</b>	:	<b>ECO – 02/TMA/2013-14</b>
<b>Coverage</b>	:	<b>All Blocks</b>

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**Maximum Marks: 100**

**Attempt all the questions.**

1. What do you mean by accounting concepts? What are their characteristics? Explain these concepts with examples. (20)
  
2. (a) There was a difference of Rs. 525 in a Trial Balance. It has been transferred to credit side of Suspense A/c. Later on following errors were discovered. Pass the rectifying entries and prepare Suspense A/c:-
  - i. An amount of Rs. 375 has been posted on the debit side of commission account instead of Rs. 275.
  - ii. Goods of Rs. 200 purchased from Sohan Lal has been posted to his account as Rs. 250.
  - iii. Total of Sales Returns Book was overcast by Rs. 475.
  - iv. Goods of Rs. 300 were sold to Mahesh, but it was recorded in Purchase Book.  
 (b) Prepare a trading and Profit Loss A/C and a Balance Sheet with the help of imaginary figures. (10+10)
  
3. (a) A of Ahmedabad consigned goods to B of Mumbai for sale at proforma invoice price or above. B is entitled to a commission on sale at 5% on proforma invoice price and 25% of any surplus price realized. Goods consigned by A to B during the year 2012, costs A Rs. 20,900 and invoiced at Rs. 28,400. A paid Rs. 1,045 as freight and received Rs. 15,000 as advance from B. 80 per cent of the goods were sold by B for Rs. 26,000. B remitted the balance of proceeds after deducting his commission.
 

Pass journal entries and prepare necessary ledger accounts in the books of A.

  
 (b) What is joint venture? Distinguish between joint venture and consignment. (10+10)
  
4. “Incomplete records system is unscientific, incomplete, inaccurate and unsystematic.” Explain this statement. (20)
  
5. (a) Laxmi Limited purchased a machine for Rs. 40,000 on 1st July, 2009. Depreciation is provided @10% p.a. on the Diminishing Balance Method. On 1<sup>st</sup> October, 2011, one fourth of Machine was found unsuitable and disposed off for Rs. 6,000. On the same date a new Machine at a cost of Rs. 15,000 was purchased. Write up the Machine A/c from 2009 to 2012. The accounts are closed on 31<sup>st</sup> December each year.
   
  
 (b) What do you understand by provisions? What is its importance? Give four examples of provisions. (10+10)