

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

**ASSIGNMENT
2015-16**

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

For July 2015 and January 2016 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- 2015-16

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 2015 and January 2016**). The validity is given below:

1. Those who are enrolled in **July 2015**, it is valid up to **June 2016**.
2. Those who are enrolled in **January 2016**, it is valid up to **December 2016**.

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	:	ECO - 02
Course Title	:	Accountancy – I
Assignment Code	:	ECO – 02/TMA/2015-16
Coverage	:	All Blocks

Maximum Marks: 100

Attempt all the questions.

1. Define Accounting. Explain the accounting concepts which guide the accountant at the recording stage. (20)

2. (a) Name items which are recorded at the invoice price in the Consignment Account. Give reasons for consigning the goods at the invoice price.

(b) Explain the separate set of books method for maintaining joint venture accounts. (10+10)

3. What is meant by single entry system? Distinguish it from Double Entry System. Explain the two methods of ascertaining profit when accounting records are incomplete. (20)

4. Distinguish between the following:

a) Income and Expenditure Account & Receipts and Payments Account.

b) Straight line method and diminishing balance method of depreciation. (10+10)

5. From the following Trial Balance prepare Trading and Profit & Loss Account for the year ended 31st Dec., 2014 and Balance Sheet as on that date:

	Dr. (Rs.)	Cr. (Rs.)
Stock 1 st Jan., 2014	22,300	
Purchases and Purchases Return	2,30,000	5,200
Freehold Premises	1,00,000	
Incidental Trade Exp.	11,200	
Insurance	1,850	
Audit Fees	800	
Commission Received		2,700
Interest		1,400

Debtors and Creditors	32,400	24,830
Wages	30,200	
Salaries	15,200	
Capital		1,50,000
Drawings	12,000	
Income- Tax	3,600	
Investments	8,000	
Discount Allowed & received	7,500	4,200
Sales Return & Sales	6,400	3,17,400
B/R	5,200	
Office Furniture	9,000	
Rent		2,600
Cash in hand	5,080	
Bank Balance	7,600	
	5,08,330	5,08,330

Adjustments:

- a) Stock at 31st December, 2014 is Rs. 70,000.
- b) Write off 5% Depreciation on freehold premises and 20% on office furniture.
- c) Commission earned but not received Rs. 500.
- d) Interest earned Rs. 600.
- e) Rs. 200 for rent has been received in advance.
- f) Charge interest on Capital @ 6% and Rs. 500 on Drawings.