

Prabodhan Education Society's
Vidya Prabodhini College of Commerce, Edu., Comp. and Mgmt., Parvari Goa

TYBCOM SEMESTER END ASSESSMENT JANUARY 2022

Accounting Major III : Government Accounting (UCOD109)

Semester: V

Duration: 2 Hours

Max Marks: 80

Instructions:

- 1) Question no. 1 is compulsory.
- 2) Answer any three questions from question no. 2 to question no. 6
- 3) Each question carries 20 marks
- 4) Figures to the right indicate maximum marks allotted
- 5) All working notes to form part of the answer

Q.1. From the following receipts and payments account and balance sheet of Ponda Municipal Corporation, prepare income & expenditure account for the year ended 31st March, 2021 and a balance sheet as on that date. (20 marks)

Receipts & Payments A/c for the year ended 31st March, 2021.

Receipts	Amount	Payments	Amount
To cash 1.4.2020	12,00,000	By salaries & allowance	10,00,000
To house tax	8,00,000	By electricity charges	3,00,000
To trade license tax	11,00,000	By uniform & stitching charges	1,20,000
To fees on issue of certificate (Birth, Death, & Income)	3,20,000	By investments	1,80,000
To retention money received	1,50,000	By purchases of stores	4,50,000
		By repayment of retention money	1,00,000
		By cash in hand	14,20,000
	35,70,000		35,70,000

Balance sheet as on 31st March 2020

Liabilities	Amount	Assets	Amount
Capital fund	12,00,000	Fixed assets	20,00,000
Municipal fund	18,50,000	Investments	3,00,000
Contractors retention money	4,00,000	Stores	1,50,000
Depreciation fund	1,95,000	Cash	12,00,000
Expenses Payable	35,000	Accrued tax	30,000
	36,80,000		36,80,000

Additional information:

1. Accrued tax receivable:

	31-3-2020	31-03-2021
House tax	30,000	40,000

2. Outstanding expenses payable

	31-3-2020	31-03-2021
Salaries & allowance	35,000	40,000
Stitching & Uniform	0	5,000

3. Provide depreciations on fixed assets @ 10%
 4. Electricity charges paid in advance for the year: ₹ 5,000
 5. Closing stock of stores on 31-03-2021 ₹ 2,00,000.

Q.2. Lucky Co. is considering the purchase of a new machinery out of two alternatives available to them. Machine X and Machine Y each costing ₹ 2,00,000.

The anticipated cash inflows after tax is as under:

Year	Machine X	Machine Y
1	20,000	60,000
2	60,000	80,000
3	80,000	1,00,000
4	1,20,000	60,000
5	80,000	40,000

The company follows straight line method of depreciation and has a target of return on capital of 9%. The discounted value of ₹ 1 for 5 years at 9% are given below.

Year	1	2	3	4	5
9% Discount factor	0.917	0.842	0.772	0.708	0.650

You are required to make appraisal of the two projects and advice the company by using the following: (20 marks)

- Payback period
- Average rate of return
- Net present value
- Profitability index

Q.3. Following is the trial balance excerpt of HPSTC as on 31st March 2021. HPSTC was registered under companies Act 2013. You are required to prepare the statement of profit & Loss account for the year ended 31st March 2021 in the prescribed format as per schedule III of companies Act 2013. (20 marks)

Particulars	Debit (₹)	Credit (₹)
Audit fees	10,000	
Bank commission	5,000	
Hire of crane	2,500	
Diesel & fuel	4,50,000	
Repair & maintenance	50,000	

Legal charges	5,000	
Insurance	85,000	
Rental income from corporation properties		85,000
Profit on sale of buses		50,000
Pass application fee		4,000
Parking fees		10,000
Stand fees		56,000
Insurance claim		15,000
Subsidy from Govt. towards student seasonal pass scheme		8,00,000
Grant in aid for operating expenses under Bal Rath Scheme		9,00,000
Hire receipt of bus stand hall		1,00,000
Ground rent		15,000
Grant in aid for payment of interest loan		1,50,000
Sale of passenger tickets		25,00,000
Concessional seasonal pass scheme		10,00,000
Mail receipt		5,00,000
Luggage receipt		1,50,000
Parcel income		55,000
Dividend received		56,000
Salaries and wages	43,03,000	
Contribution to provident fund	5,50,000	
Diwali bonus	1,50,000	
Tour for employee along with family	1,40,500	
Depreciation on operating fleet & other vehicles	2,50,000	
Consumption store & spare parts	1,50,000	
Postage & telegram	5,000	
Directors fees	50,000	

Additional information

1. Provide for taxation @ 30 %
2. Salaries and wages outstanding ₹ 5,600
3. Dividend receivable ₹ 20,000

Q.4. A. Project comprising of following activities along with its time estimates is given below:

Activity	Preceding activity	Optimistic time	Most likely time	Pessimistic time
A	----	4	6	14
B	A	2	3	4
C	B	7	16	19
D	A	4	7	10
E	D B	3	4	11
F	C E	1	2	3

Considering the above information:

- i. Draw the project network
- ii. The expected project length critical path.

(10 marks)

B. What are the objectives of Government accounting?

(10 marks)

Q.5. From the following particulars relating to Anjuna Panchayat, prepare receipts and payments account for the year ending 31st March 2021. (20 marks)

Particulars	Amount
Cash in hand on 1 st April 2020	5,60,000
Salary to staff	27,00,000
Pension to retired staff	2,70,000
Salary of temporary clerk	4,20,000
Salary of elected members	18,00,000
TA & DA	2,60,000
Office electricity bill	1,75,000
Office phone bill	63,000
Postage	19,000
Maintenance charges of hall	5,60,000
Cleaning of market	3,45,000
Spent on disposal of garbage	2,71,000
Sweeping and cleaning	3,33,000
Opening & cleaning of drains	2,92,000
Repairs of street light fixtures	1,12,000
Promotion of Anganwadi expenses	1,98,000
Financial assistance to victims of natural calamities	3,87,000
Construction of drinking water well	6,75,000
Scholarship to poor students	1,70,000
Cutting of bushes	80,000
Plastic collection expenses	2,25,000
Return of EMD	3,86,000
Grant from Government	
Member salary grants	19,00,000
Matching grants	12,00,000
14 th finance commission grants	11,51,000
Garbage disposal grants	4,00,000
Light tax	5,50,000
Sopo Tax	4,00,000
Sale proceeds of tender forms	1,30,000
Market fees	15,00,000
Rent of premises	4,00,000
Rent of hall	22,00,000

Q.6. Write a note on the following

(4 x 5 = 20 marks)

- Difference between government accounting and commercial accounting.
- Public accounts Committee.
- Contingency Fund.
- Accounting procedure for government expenditure.
