

**Goa Vidyaprasarak Mandal's
GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE AND
ECONOMICS, PONDA-GOA
B.COM. (SEMESTER-V) EXAMINATION, JULY 2021
GOVERNMENT ACCOUNTING**

Duration: Two hours

Max. Marks: 30

Q1) Answer any **FIVE** from the following: (2 x 5 = 10 Mks)

- a) What do you mean by the term PERT?
- b) State any four sources of revenue for Panchayats.
- c) What are the main features of Electricity Companies?
- d) What do you mean by the term Pay Back Period?
- e) Define internal rate of return.
- f) Why capital budgeting is significant for business entities?
- g) Explain the term Votable & Non-Votable Items.
- h) State some power of Municipalities.

Q2) Answer any **FOUR** from the following: (5x4 = 20 Mks)

A. Engineers Ltd is considering purchase of a new machine. Two machines are available A & B, each machine costing ₹ 2,00,000. Each machine has a expected life of 5 years.

The estimated profit before depreciation and tax of both the machines are as follows:

Year	Machine A (₹)	Machine B (₹)
1	70,000	78,000
2	72,000	75,000
3	76,000	72,000
4	78,000	75,000
5	75,000	80,000

Both the machines have to be depreciated under SLM and average rate of income tax may be taken at 50%. Ascertain which of the two machines will be profitable under Pay Back Period Method.

contd...2/-

B. From the following particulars relating to a village panchayat, Prepare Receipt & Payment Account for the year ended 31/03/2021.

Particulars	Amount
Cash in hand on 1/04/2020	4,50,000
Grants from state Government	6,00,000
Finance Commission grants	4,75,000
Disposal of Garbage Receipts	3,00,000
Matching Grants	4,30,000
Salary Grants	2,85,000
Salaries of Staff	3,60,000
Expenses on Public Health	5,90,000
Expenses of Street Lighting	2,45,000
Establishment Expenses	15,23,000
Expenses on Public Welfare	4,42,000
Receipt from Zilla Panchayat for District Plan	1,35,000
Expenses on local sports	70,000
Subscriptions Paid	8,300
Sale of old newspaper	300
Entertainment Expenses	21,000
Miscellaneous Expenses	1,200
Receipts from taxes	3,09,000
Loan from Goa Government	2,90,000
Receipts from Properties	18,000

C. A project of 20 years life requires an original investment of ₹ 1,00,000. The other relevant information is given below:

Average annual earnings before depreciation & tax ₹ 20,000

Annual Tax Rate 50%

Calculate : a) Pay Back Period

b) Average Rate of Return

contd...3/-

D. From the following information , you are required to prepare the schedule of fixed assets to the balance sheet as on 31/03/2021 of a transport company.

Gross Block of Fixed Assets as on 01/04/2020 was as under:

Building	₹ 20,00,000
Plant & Machinery	₹ 8,00,000
Vehicles	₹ 6,00,000
Other assets	₹ 4,00,000

Accumulated depreciation till 31/03/2020 was as under:

Building	₹ 2,60,000
Plant & Machinery	₹ 3,25,000
Vehicles	₹ 2,90,000
Other assets	₹ 1,80,000

Additions to assets during the year were as under vehicles (on 1/10/2020)
₹ 3,68,000

Charge depreciation on assets under WDV method at following rates:

Building	10% per annum
Plant & Machinery	15% per annum
Vehicles	15% per annum
Other assets	10% per annum

E. Explain the basic principles of Government accounting.

F. State the various sources of revenue for municipalities.

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