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**T.Y.B.Com Semester V (CBCS) Ordinance
EXAMINATION MAY 2023
Accounting Major III : Government Accounting**

[Time: 2 Hours]

[Max. Marks: 80]

- Instructions:** 1) Q.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.

- Q1** From the following Receipt and Payment Account and Balance Sheet of Margao Municipality, prepare an Income and Expenditure Account for the year ended 31st March, 2019 and a Balance Sheet as on that date. 20

**RECEIPT AND PAYMENT ACCOUNT
for the Year Ending 31st March, 2019**

Receipts	Rs.	Payments	Rs.
To Cash in Hand and at Bank (1/4/2018)	13,00,000	By establishment expenses	17,50,000
To Tax Revenue		By water supply, Swage and Drainage	3,30,000
House Tax	23,20,000		
Professional Tax	1,60,000	By Road lightning and Health Service	6,70,000
Other tax	1,40,000		
To Non Tax Revenue		By Repairs to Municipal Building	2,20,000
Water Supply, Sewage and Drainage	3,10,000		
Road Lightning and Health Service	5,35,000	By Investment	12,00,000
Other receipts	12,60,000	By Stores	4,60,000
To Government Grants		By Payment towards housing complex	11,00,000
For Road Maintenance	11,00,000		
For Sewage maintenance	12,00,000	By Repayment of contractor retention money	5,00,000

To Retention money from contactor	11,60,000	By municipal services commission and other expenses	6,35,000
To Advance for allotment of houses	11,80,000	By cash in Hand and at Bank (31-03-2019)	38,00,000
	1,06,65,000		1,06,65,000

BALANCE SHEET
As on 31st March, 2018

Liabilities	Rs.	Assets	Rs.
Capital Fund	15,00,000	Fixed Assets	14,00,000
Municipal Fund	11,00,000	Housing complex under construction	1,80,000
Road Maintenance Fund	12,00,000	Investment	14,00,000
Loans	12,00,000	Stores	10,50,000
Contractor Retention Money	1,50,000	Deposits	1,50,000
Depreciation Provision A/c	1,40,000	Expense recoverable from Government	1,30,000
Expenses Outstanding	1,60,000	Professional Tax accrued	40,000
Advance for allotment of houses	2,00,000	Cash in Hand and at Bank	13,00,000
	56,50,000		56,50,000

Additional information:

1. Provide Rs. 1,25,000 depreciation on fixed assets
2. Professional tax accrued on 31-03-2019 Rs. 20,000
3. Professional tax accrued on 31-03-2018 Rs. 40,000
4. Establishment expense outstanding on 31-03-2018 were Rs. 1,60,000
5. Repair to Municipal Building paid in advances Rs. 20,000
6. Closing stock of stores as on 31/03/2019 Rs. 9,50,000

- Q2 Kadamba Transport Corporation Ltd registered under Companies Act 2013 provides the following information as on 31st March, 2019. Prepare Statement of Profit and Loss for the year ended 31st March, 2019. 20

Particulars	Debit (Rs.)	Credit (Rs.)
Earning from operation	-	1,00,50,000
Collection from issue of Pass	-	1,65,400
Luggage receipts	-	1,34,500
Parcel Income	-	89,000
Interest Income	-	26,125
Bust stand parking licence fees	-	1,30,000
Sale of scrap	-	1,67,500
Subsidy from Government for student pass	-	20,00,000
Salaries and wages	13,88,605	-
Contribution to Provident Fund	2,50,000	-
Consumption of Store and Spare parts	1,00,000	-
Diesel and fuel	12,34,600	-
Rent	98,600	-
Insurance	80,000	-
Repairs	1,29,000	-
Electricity charges	50,000	-
Chairman travelling expenses	16,000	-
Director sitting fees	25,720	-
Advertisement	65,000	-
Postage and Courier	25,000	-
Legal and professional fees	1,00,000	-
Sales commission	50,000	-
Interest on loan	2,00,000	-

Additional information:

- Loose tools written off Rs. 1,20,000
- Depreciate central workshop Rs. 37,000
Plant and Machinery Rs. 8,000 and Operating Fleet Rs. 4,50,000
- Provide for outstanding wages and salaries Rs.1,50,000
- Insurance prepaid Rs. 16,000
- Provide for taxation @31%

- Q3** Gama Ltd is considering the purchase of machine. Machine Alpha and Machine Beta are available costing Rs. 500000 each with an estimated life of 5 years. **20**

The company pays tax at 50% and cost of capital is 10%. The straight-line method of depreciation will be charged on the machines.

The machines are expected to generate a net cash inflow before taxes as follows:

Year	Machine Alpha	Machine Beta
1	200000	300000
2	200000	150000
3	200000	100000
4	200000	250000
5	200000	250000

The discounted value of Rs.1 for 5 years at 10% are given below

Year	1	2	3	4	5
PV@10%	0.909	0.826	0.751	0.683	0.621

You are required to make appraisal of the two machines and advise the company by using the following

- Payback Period
- Average Rate of Return
- Net Present Value
- Profitability Index.

- Q4** A. A Research and Development Project has a list of tasks to be performed whose time estimates are given below. **10**

Task	Optimistic Time (In Days)	Most Likely Time (In Days)	Pessimistic Time (In Days)
1-2	1	07	13
1-6	2	05	14
2-3	2	14	26
2-4	2	05	08
3-5	7	10	19
4-5	5	05	17
6-7	5	08	29
5-8	3	03	09
7-8	8	17	32

Considering the above information:

- Draw the Project Network

ii. Find the expected duration (Critical Path)

B. What are the Principles of Government Accounting?

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Q5 A. The Trail Balance of Maharashtra Electricity Ltd. For the year ended 31st march, 2019 is as follows: 10

Particulars	Dr.(Rs.)	Cr.(Rs.)
Equity share capital Rs 10 each		50,00,000
14% preference share of Rs10 each		15,00,000
Patent and Trade Marks	2,50,400	
15% Debentures		24,70,000
16% Term loan		15,30,000
Land	12,45,000	
Building	35,13,400	
Plant & Machinery	57,05,800	
Meters	7,67,400	
Electrical Instruments	1,53,000	
Office furniture	2,45,000	
Capital reserve		4,02,000
Contingency Reserve		12,03,000
General Reserve		1,00,000
Transformers	19,48,000	
Opening balance of profit and Loss A/C		35,000
Profit for the year 2018-19		5,00,000
Stock in Hand	12,05,000	
Sunday Debtors	6,24,600	
SBI Bonds	10,01,000	
Other Investments	2,00,000	
Cash at Bank	3,25,400	
Depreciation fund		25,81,600
Sundry creditors		6,52,400
Proposed dividend		12,10,000
Total	17,184,000	17,184,000

Prepare the Balance Sheet as on 31st March, 2019

B. Differentiate between Commercial Accounting and Government Accounting

10

Q.6 Answer the following**4X5=20**

- a. Consolidate Fund
- b. Demand for supplementary Grant
- c. Source of Revenue for Panchayat
- d. BOOT as new area of contracting