

Total No. of Printed Pages: 03

T.Y. B.Com Semester V (CBCS)
Accounting Major III: Government Accounting

[Time: 2:00 Hours]

[Max. Marks: 80]

- Instructions:** 1) Question No. 1 is compulsory
 2) Answer any three questions from Q2 to Q6
 3) Each question carries 20 marks.
 4) Figures to the right indicate maximum marks
 5) All working notes to form part of the Answer allotted

- Q.1** From the following Receipts & Payment Account and Balance Sheet of Margao Municipal Council, prepare Income & Expenditure Account for the year ended 31st March 2024 and Balance Sheet as on that date. (20)

Receipts and Payment A/c for the year ended 31st March 2024

Receipts	Rs.	Payments	Rs.
To Cash Balance (1.4.2023)	13,00,000	By Establishment Expenses	15,10,000
To House Tax	11,80,000	By Printing & Stationery	2,40,000
To Vehicle Tax	11,40,000	By Water Supply	2,05,000
To Professional Tax	1,60,000	By Sewerage & Drainage	3,97,500
To Other Tax	1,40,000	By Roads	3,97,500
To Water supply	1,52,000	By Repairs to Municipal Building	2,20,000
To Sewerage & Drainage	1,88,000	By Investments	12,00,000
To Roads Lighting	5,35,000	By Stores	4,60,000
To Other receipts	12,60,000	By Housing Complex	11,00,000
To Government Grants		By Repayment of Retention Money	5,00,000
For Road Maintenance	11,00,000	By Municipal Services & Commission	4,25,000
For Sewerage Maintenance	12,00,000	By Cash balance (31.3.2024)	40,10,000
To Contractors Retention Money	11,60,000		
To Advance for Allotment of houses	11,80,000		
	1,06,65,000		1,06,65,000

Balance Sheet as on 31st March, 2023

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
Water Supply Fund	12,00,000	Investments	14,00,000
Loans	12,00,000	Stores	10,50,000
Contractor's Retention Money	1,50,000	Deposits	2,80,000
Depreciation Provision	1,40,000	Professional Tax Accrued	40,000
Expenses Payable	1,60,000	Cash	13,00,000
Advance for Allotment of Houses	2,00,000		
	56,50,000		56,50,000

Additional Information:

1. Provide Rs 1,25,000 for depreciation on Fixed Assets.
2. Accrued Professional tax on 31st March, 2023 Rs 40,000.
3. Accrued Professional tax on 31st March, 2024 Rs 20,000.
4. Expenses outstanding on 31st March 2023 Printing & Stationery Rs. 70,000, Establishment expenses Rs. 90,000.
5. Closing stock of stores on 31st March, 2024 Rs. 9,50,000.

- Q.2 Given below is the trial balance of Municipal Transport Corporation of Delhi Government on 31st March 2024. The corporation was formed and registered under the Company's Act 2013. You are required to prepare the statement of assets and liabilities. (20)

Particulars	Debits (Rs)	Credits (Rs)
10 % Term loan from Bank of India		80,00,000
5% Debentures		50,00,000
Bank overdraft		1,50,000
Bills Payable		1,45,000
Bills Receivable	33,00,000	
Bus Stand Shed	1,00,00,000	
Cash at Bank	15,00,000	
Cash on hand	1,50,000	
Computer software	80,00,000	
Creditors		50,000
Debtors	56,00,000	
Festival advance to employees	1,90,00,000	
Furniture	5,00,000	
General Reserve		5,00,000
Government Grant for replacement of Vehicles		1,10,00,000
Government grant for purchase of buses for St Xavier exposition		90,00,000
Government Grant in aid under JaNRUM		82,00,000
Insurance fund liability		65,000
Interest accrued on deposits	1,50,000	
Building	5,00,000	
Operating Fleets	1,00,00,000	
Other Vehicles	50,00,000	
Paid up Capital		1,20,00,000
Profit and Loss account (Opening balance)		10,00,000
Profit and Loss account (Current year)		85,00,000
Provision for bonus		1,50,000
Security Deposit with RTO	1,50,000	
Unclaimed Gratuity		90,000
	6,38,50,000	6,38,50,000

Additional information

- The Authorized Capital of the Corporation was ₹ 15,00,00,000 divided into 15,00,000 equity shares of ₹ 100 each.
- Transfer ₹ 1,50,000 to General Reserve.
- Debtors for ₹ 5,00,000 were for more than six months but considered good. The balance debtors were secured against their personal securities.

- Q.3 Engineers India Ltd. (EIL) is considering the purchase of a machine. Two machines are available A and B, the cost of each machine is Rs 2,00,000. Each has an expected life of 5 years. The estimated profit before depreciation and tax of both the machines are as follows: (20)

Year	Project A (₹)	Project 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 the straight-line method and the average rate of income tax may be taken at 50%. With the help of above information, you are required to ascertain which of the two machines will be profitable under:

- The Payback period method
- The Average rate of return method

- Q.4 (A) A project consists of seven activities and the time estimates of the activities are furnished as under: (10)

Activity	Optimistic Days	Most Likely Days	Pessimistic Days
1-2	4	10	16
1-3	3	6	9
1-4	4	7	16
2-5	5	5	5
3-5	8	11	32
4-6	4	10	16
5-6	2	5	8

Considering the above information

- Draw the Project Network.
- Identify the critical path and its duration.

(B) State and explain the principles of Government Accounting. (10)

- Q.5 (A) Wesco Electricity Corporation Ltd. gives the following extract from its trial balance as on 31st March, 2024, Prepare Statement of Profit and Loss for the year ended 31st March, 2024. (10)

Particulars	Debit (Rs)	Credit (Rs)
Purchase of Energy	39,61,500	
Salaries and wages	6,00,000	
Establishment expenses	9,97,500	
Rent, rates and taxes	38,250	
Conveyance and travelling	30,000	
Audit fees	11,250	
General expenses	75,000	
Directors fees and allowances	12,750	
Interest on loan	1,76,250	
Interest on Consumers Security Deposits	60,000	
Sale of Energy		
Domestic		12,87,500
Industrial		74,50,000
Rent of meters		52,500
Maintenance of Public lamps		11,250
Hire charges on Machines		18,750
Miscellaneous Receipts		7,500

Additional Information:

- Depreciation for the year Rs 8,62,500.
- Provision for taxation Rs. 11,40,000.

(B) State and explain ten points of difference between Commercial Accounting and Government Accounting. (10)

- Q.6 Write short notes on the following: (20)

- Consolidated Fund of India.
- Demand for Grant.
- Sources of revenue for Panchayats.
- BOO as a new area of Contracting.

