

Paper / Subject Code: UCOD109 / Accounting Major 3 : Government Accounting

UCOD109

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T.Y. B.Com. (CBCS) (Semester-V)
EXAMINATION NOVEMBER 2022
Accounting Major III
Government Accounting

[Duration : 2 Hours]

[Total Marks :80]

Instructions:

- 1) Question no. 1 is compulsory
- 2) Answer any three question 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 Receipt and Payment Account and Balance Sheet of Bicholim Municipality, prepare Income and Expenditure Account for the year ended 31st March 2019 and Balance Sheet as on that date.

(20 marks)

RECEIPT AND PAYMENT A/C
For the year ended 31st March, 2019

Receipts	₹	Payments	₹
To Cash in Hand and at Bank (01/04/2018)	12,13,000	By Salary to common cadre staff	30,00,000
To House tax	16,00,000	By Salary to Government Staff on Deputation	3,00,000
To Trade tax	7,40,000	By Travelling expenses	6,00,000
To Advertisement	50,000	By Publication & Advertisement	4,20,000
To Construction License fees	12,05,000	By Security Expenses (contract)	2,60,000
To Salary grants to common cadre staff	27,00,000	By Electric lights fixture	2,85,000
To Grants for various development work(GIN)	20,00,000	By Water charges	2,50,000
To Registration fees of birth and death	6,60,000	By Repairs and Maintenance	5,12,000
To Contractor retention money	4,00,000	By Development work from GIA	6,40,000
		By Purchases of Vehicle on 1/10/2018	16,00,000
		By Purchase of books	6,45,000
		By Vehicle Insurance	45,000
		By Refund of house tax	21,000
		By Purchase of stores	6,60,000
		By Cash in hand and at Bank	13,30,000
	1,05,68,000		1,05,68,000

BALANCE SHEET
As on 31st March, 2018

Liabilities	₹	Assets	₹
Capital fund	30,00,000	Fixed Assets	30,00,000
Municipality fund	26,68,000	Vehicle	21,00,000
Loans	57,00,000	Deposits	46,05,000
Security deposits (Contractor)	6,00,000	Grant receivables from Govt..	18,00,000
Depreciation Reserve	12,00,000	Stores	4,00,000
Outstanding Expenses Payable		Cash in Hand and at Bank	12,13,000
Travelling allowance	40,000	Accrued House tax	1,20,000
Water charges	30,000		
	1,32,38,000		1,32,38,000

Additional Information

1. Provide Depreciation on fixed assets @10%.
2. Accrued house tax on 31st March, 2019 Rs. 100,000.
3. Outstanding expenses Payable on 31st March, 2019 travelling expenses Rs. 60,000 and water charges Rs. 30,000
4. Closing stock of stores as on 31st March, 2019 Rs.3,00,000

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Q.2 From the following trial balance of KTC Ltd. which was registered under Companies Act 2013, prepare the Statement of Profit and Loss for the year ended 31st March, 2019.

(20 marks)

Particulars	Debit (Rs.)	Credit (Rs.)
Audit Fees	1,00,000	
Bank Commission	5,000	
Hire charges of Crane	2,500	
Diesel and Fuel	4,50,000	
Repairs and Maintenance	50,000	
Legal and Professional Expenses	5,000	
Insurance	85,000	
Rental income of Corporation		85,000
Profit on sale of Buses		50,000
Pass application fees		4,000
Parking fees		10,000
Stand fees		56,000
Insurance claim		15,000
Subsidy from Government towards students 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 expenses for employees families	1,40,500	
Depreciation on operating fleet and other vehicles	2,50,000	
Consumption of store and spare parts	1,50,000	
Postage and Courier	55,000	
Directors fees	1,50,000	
Total	64,46,000	64,46,000

Additional Information

1. Provide for taxation @ 31%
2. Write off bad debt Rs2500/- and provide Rs1500/- as RDD
3. Salaries and wages outstanding Rs5600/-
4. Dividend receivable Rs20000/-

- Q.3 Alpha Ltd had two mutually exclusive projects under consideration. Both the projects have a life of 5 years and have initial cash outlays of Rs.200000 each. The company pays tax at 50% and the cost of capital is 10%. The company follows straight-line method of depreciation. The projected net cash inflows before taxes is as under. (20 marks)

Year	Project I (Rs)	Project II (Rs)
1	80000	120000
2	80000	60000
3	80000	40000
4	80000	100000
5	80000	100000

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 advised to make appraisal of the two projects and advise the company by using the following

- a. Payback period
- b. Average Rate of Return
- c. Net Present value
- d. Profitability Index

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Q.4 A. The following table shows the activities of a network along with their time estimated and predecessor activity. (10 marks)

activity	Time Estimates in Weeks			Predecessor
	Optimistic	Most Likely	Pessimistic	
A	3	6	9	-
B	2	5	8	-
C	2	4	6	A
D	2	3	10	B
E	1	3	11	B
F	4	6	8	C, D
G	1	5	15	E

Considering the above information:

- Construct a Network with the help of Predecessor Activity
- Find the Critical path.

B. Explain the Accounting Procedure of Government Expenditure

(10 marks)

Q.5 A. From the following balances of Ahmedabad Electricity Corporation Ltd, prepare Balance Sheet as on 31.03.2019

(10 marks)

Particulars	Dr (Rs.)	Cr (Rs)
Share Capital	-	24,00,000
14% Debentures	-	15,00,000
Provision for Depreciation	-	6,00,000
Freehold land	9,30,000	-
Building	5,00,000	-
Machinery at Station	10,00,000	-
Mains	8,00,000	-
Transformers	2,00,000	-
Meters	1,50,000	-
Electrical instrument	40,000	-
Stock	2,45,000	-
Sundry creditor	-	1,00,000
Sundry debtor	5,50,000	-
Cash at bank	8,30,000	-
Contingency reserve	-	1,50,000
Profit for the year (2018-19)	-	4,95,000
	52,45,000	52,45,000

Additional information

1. The authorized capital of the corporation was 50,000 equity share of Rs.100 each of which 24000 equity shares are fully subscribed by the State Government.
2. Transfer Rs.19400 to contingency reserve.

B. Differentiate between Commercial Accounting and Government Accounting.

(10 marks)

Q.6 Answer the following:

(5x4=20 marks)

- a. Demand for Grants
- b. Public Accounts Committee
- c. Sources of Revenue for Panchayat
- d. Turn Key Contracting