

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics, Margao-Goa
TY B.Com, Semester V, Semester End Examination, January 2022
ACCOUNTING, DSE-3
Government Accounting (COD 109)

Duration: 2hrs

Max Marks: 80

Instructions:

1. Question No.1 is compulsory.
2. Answer any **three** questions from Q. No. 2 to Q.No.6.
3. Start each question on a fresh page.
4. Figures to the right indicate maximum marks.
5. Give working notes wherever applicable.

Q1. From the following Receipts and Payment Account and Balance Sheet of Sarzora Municipality, prepare Income and Expenditure account for the year ended 31st March 2021 and a Balance Sheet as on that date.

Receipt and Payment A/c for the year ended 31st March, 2021.

(20 Marks)

Receipts	Amt (Rs.)	Payments	Amt (Rs.)
To Cash as on 1-4-2020	12,13,000	By Salary to Common cadre staff	26,00,000
To House Tax	16,00,000	By Salary to Sanitary Inspectors (Establishment)	1,70,000
To Trade Tax	7,40,000	By Honorarium to Chairperson & Councillors	5,00,000
To Advertisement and Signboard Tax	40,000	By Salary to Govt. Staff on Deputation	2,00,000
To Fees from impounded cattle	10,000	By Travelling Allowances Study tours	6,00,000
To Construction License Fees	4,00,000	By Publication of Advertisement	4,00,000
To Income from Books Hired (Municipal Library)	1,75,000	By Postal and Revenue Stamps	20,000
To Gaddas & Handcraft Fees	6,30,000	By Security Personal (Contract)	2,60,000
To Salary Grants to Common Cadre Staff	27,00,000	By Binding Charges	5,000
To Crants for Various Development Works (GIN)	20,00,000	By Charges for destruction of stray dogs	30,000
To Registration fees of Birth and Deaths	4,90,000	By Electric Lights & Fixtures	2,50,000

To Transfer of House Tax	1,70,000	By Water Charges	80,000
To Contractors Retention Money	4,00,000	By Baskets & Brooms	32,000
		By Maintenance & Repairs of Drains	4,80,000
		By Development work from GIA	6,40,000
		By Purchase of Vehicles on 1st October 2020	16,00,000
		By Library Expenses	2,15,000
		By Purchase of Books and Periodicals	4,30,000
		By Vehicle Insurance	45,000
		By Refund of House Tax	21,000
		By Purchase of Stores	6,60,000
		By Cash in Hand	13,30,000
	1,05,68,000		1,05,68,000

Balance sheet as on 31st March 2020

Liabilities	Amt (Rs.)	Assets	Amt (Rs.)
Capital Fund	30,00,000	Fixed Assets	30,00,000
Municipality Fund	26,68,000	Vehicles	21,00,000
Road Maintenance Fund	15,00,000	Deposit	46,00,000
Loans	42,00,000	Grants Receivable from Government	18,00,000
Security Deposits (Contractors)	6,00,000	Stores	4,00,000
Depreciation Reserve	12,00,000	Cash	12,13,000
Outstanding Expenses Payable		Accrued House Tax Accrued	80,000
Travelling Allowance	40,000	Trade Tax Prepaid Vehicle	40,000
Water Charges	20,000	Insurance	5,000
Sanitary Inspector (Establishment)	10,000		
	1,32,38,000		1,32,38,000

Additional Information :

1. Provide depreciation on fixed assets @ 10% and Vehicles @20%.

2. Accrued House Tax on 31st March 2021 Rs. 1,00,000.
3. Accrued Trade Tax on 31st March 2021 Rs. 50,000.
4. Outstanding Expenses payable on 31st March 2021 are travelling expenses Rs.60,000, water charges Rs. 30,000 and sanitary Inspector (establishment) Rs. 20,000.
5. Prepaid vehicle insurance for the year 2021-22 is Rs. 6,000.
6. Closing stock of stores on 31st March, 2021 Rs. 3,00,000.

Q2. Given below are the balances of Haryana State transport Corporation on 31st March 2021. The corporation was formed and registered under companies Act 2013 whose system of accounting was duly approved by comptroller and Auditor General of India. Prepare a Balance Sheet for the year ending 31st March 2021.

(20 Marks)

Assets and Liabilities	Debit (Rs.)	Credit (Rs.)
Balance with RTO	20,000	
Balance with PWD	10,000	
Bank overdraft		1,00,000
Bus stand building	10,00,000	
Loose tools	95,000	
Cash at bank	1,50,000	
Cash on Hand	20,000	
Computer soft ware	15,600	
Furniture and Fixture	99,500	
Government Grants for up gradation of vehicles		1,50,000
Grant in Aid under JnNRUM Scheme		3,45,000
Investment in Government Bonds	85,000	
Issued, Subscribed and fully paid up capital		15,00,000
HSC welfare fund		25,000
Land and Building	15,50,000	
Loans and advances to employees	56,000	
Term loan from GIDC		60,00,000
Operating Fleet and other vehicles	28,60,000	
Plant and equipment	10,50,000	
Prepaid expenses	10,000	
Provision for employees benefits		3,50,000
Provision for gratuity		3,84,000
Store and spare parts	1,23,000	
Staff advance payable		3,40,000
Trade payables		25,550
Trade receivables	15,450	
Workshop shade	20,60,000	
	92,19,550	92,19,550

Additional information

1. The store and spare parts were valued at Rs. 95,000 and Loose tools Rs. 20,000.
2. Salaries and wages were outstanding Rs. 85,000.
3. Provide depreciation on operating fleets and other Vehicles at 16.21% where as

workshop shade at 3.16%; Bus stand @ 3.16%; Furniture and Fixture @ 5%; Plant and Equipment @ 15%.

4. Liability towards earlier years outstanding wages and land acquisition pending in the court Rs. 1,20,000.
5. Loss for the year ending 31st March 2021 as per Profit & Loss Statement is Rs. 830527.

Q3. Suzlon Ltd. is considering to purchase a machine. Machine X and Machine Y are available costing Rs. 500000 each with an estimated life of 5 years.

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: (20 Marks)

Year	Machine X	Machine Y
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

- a) Payback Period
- b) Net Present Value

Q4. Adani Power Ltd. gives you the following extract from its trial balance as on 31st March 2021. Prepare Statement of Profit and Loss for the year ended 31st March 2021.

(20 Marks)

Assets and Liabilities	Debit (Rs.)	Credit (Rs.)
Purchase of Energy	62,25,000	
Salaries and Wages	12,00,000	
<u>Repairs and Maintenance</u>		
Building	22,500	

Plant and Machinery	7,500	
Transformers	90,000	
Mains and Services	5,10,000	
Lorries	18,000	
Establishment Expenses	19,95,000	
Rent, Rates and Taxes	76,500	
Conveyance and Travelling	60,000	
Audit Fees	22,500	
General Expenses	1,50,000	
Directors Fess and Allowances	25,500	
Interest on Loans	3,52,500	
Interest on Consumer's Security Deposits	1,20,000	
Electricity Duty	10,50,000	
Sale of Energy		
Domestic		25,75,000
Industrial		1,49,00,000
Rent of Meters		1,05,000
Maintenance of Public Lamps		22,500
Hire charges on Machines		37,500
Miscellaneous Receipts		15,000
Balance of Profit and Loss Account (as on 1-4-2020)		75,350

Additional Information:

1. Depreciation for the year Rs. 17,25,000.
2. Provision for Taxation Rs. 22,80,000.
3. Transfer to Contingency Reserve Rs. 2,25,000.
4. Transfer to Development Reserve Rs. 1,20,000.

Q5. From the following particulars relating to Morpila Panchayat, prepare receipts and payment for the year ended 31st March 2019.

Particulars	Amt(Rs.)
Closing cash balance of the last Year	5,50,000
Special Grants from Government	
Salary & allowances to members	5,00,000
Matching grants	6,00,000
General Grants	
Grants for disposal of garbage	2,35,000
Other Grants	
XIV th Finance Commission	8,69,000
Proceeds of taxes, fees etc.	
House tax	
Light tax	7,94,000
Sign Board tax	1,61,000
Advertisement tax	3,28,000
	2,40,000

Fees on Residence certificates	74,000
Fees on Birth & Death Certificates	1,50,000
NOC Fees	70,000
Occupancy Fees	1,18,000
Construction License fees	6,50,000
House tax transfer fees	1,24,000
Market auction fees	7,40,000
RTI fees	10,000
Sale of tender fees	23,000
House repair fees	69,000
Extraordinary Receipts	
Slaughter house rent	1,75,000
Telephone rent received	8,000
Bank interest received	1,02,000
EMD	4,20,000
Administration Expenses	
Staff salary	12,60,000
Sarpanch & members salary	4,75,000
Sweeper salary	3,28,000
Pension to staff	1,80,000
Telephone Bill	51,000
Postage	7,000
Stationary	36,000
Xerox Bill	18,000
Electricity Bill	67,000
Water bill	38,000
Bonus to staff	2,07,000
Publicity	40,000
Taxi hire charges	1,18,000
Repairs of computer	60,000
Refilling of Printer toner	14,000
Sanitation, Public health and Family welfare	
Garbage collection Expenses	1,25,000
Collection of plastic along roads	1,48,000
Public works	
Cutting of bushes along roads	63,000
Installation of sign boards	1,05,000
Conversion of existing LT. Line	5,70,000
Covering and tilling of pot holes	1,71,000
Purchase of electrical material	4,28,000
Supply & Fitting of cement pipes	4,38,000
Social welfare	
Anganwadi rent paid	1,73,000
Natural Calamity Expenses	1,33,000
Libraries	
News Paper bill	11,000
Miscellaneous Expenses	
Expenditure incurred on poor bride	67,000
Refreshments	41,000
Refund of EMD	3,26,000

Refund of Security Deposit	2,40,000
Announcement & Sound system for Gram sabha meetings	62,000
National and State day functions	21,000
Advocate bill	1,15,000
Bank Commission	23,000

Q6. Answer the following:

(4 x 5=20 Marks)

- a. Basic principles of Government Accounting
- b. Contingency Fund
- c. Functioning of Public Works Division
- d. Profitability Index