

Vidya Vikas Mandal's
 Shree Damodar College of Commerce & Economics, Margao-Goa
 TY B.Com, Semester V, Semester End Examination, January 2021
ACCOUNTING, Major-III
 Government Accounting (DSE 3)

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 fresh page.
4. Figures to the right indicate maximum marks.
5. Give working notes wherever applicable.

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, 2020 and a Balance Sheet as on that date. (20 Marks)

RECEIPT AND PAYMENT ACCOUNT
for the Year Ending 31st March, 2020

Receipts	Rs.	Payments	Rs.
To Cash in Hand and at Bank (1/4/2019)	13,00,000	By Establishment expenses	17,50,000
To Tax Revenue		By Water Supply, Sewage and Drainage	3,30,000
House Tax	23,20,000	By Road lighting and Health Service	6,70,000
Professional Tax	1,60,000	By Repairs to Municipal building	2,20,000
Other tax	1,40,000	By Investment	12,00,000
To Non Tax Revenue		By Stores	4,60,000
Water Supply, Sewage and Drainage	3,10,000	By Payment towards housing complex	11,00,000
Road Lighting and Health Service	5,35,000	By Repayment of contractor retention money	5,00,000
Other receipts	12,60,000		
To Government Grants			
For Road Maintenance	11,00,000		
For Sewage Maintenance	12,00,000		

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 (31-03-2020)	38,00,000
	1,06,65,000		1,06,65,000

BALANCE SHEET
As on 31st March, 2019

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	Investments	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 31-03-2020 Rs. 20,000
3. Professional tax accrued on 31-03-2019 Rs. 40,000
4. Establishment expense outstanding on 31-03-2019 were Rs. 1,60,000
5. Repairs to Municipal Building paid in advances Rs. 20,000
6. Closing stock of stores as on 31-03-2020 Rs. 9,50,000

Q2. Kadamba Transport Corporation Ltd. registered under Companies Act 2013 provides the following information as on 31st March, 2020. Prepare Statement of Profit and Loss for the year ended 31st March, 2020. (20 Marks)

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:

1. Loose tools written off Rs. 1,20,000
2. Depreciation on central workshop Rs. 37,000, Plant and Machinery Rs. 8,000 and Operating Fleet Rs. 4,50,000
3. Provide for outstanding wages and salaries Rs.1,50,000
4. Insurance prepaid Rs.16,000
5. 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.

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 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 5years 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. From the following particulars relating to Seraulim Panchayat, Prepare Receipts and Payment Account for the year ending 31st March, 2020. **(20 marks)**

Particulars	Amt (Rs.)
Cash in Hand on 1 st April 2019	6,21,000
Grant in aid	18,00,000
Matching Grants	70,00,000
R.D.A. Grants	45,00,000
Assistance received for disposal of plastic garbage	1,70,000

14 th Finance Commission grants	9,85,000
Proceeds of Taxes, Fees etc	
Tax on Professionals	78,000
Trade Tax	9,37,000
Fees under RTI	12,000
Fees on Occupancy Certificate	1,10,000
Fees on Birth & Death Certificate	2,15,000
Fees on Residence Certificate	65,000
Fees on NOC for	
Water Connection	47,000
Electricity Connection	24,000
House repairs	16,000
Road Cutting	17,000
Fees on transfer of construction license	1,51,000
Fines on late payments etc	24,000
Salary to staff	32,06,000
 Members salary	 21,20,000
Office light bill	1,25,000
Celebration of national & state days	41,000
New paper charges	20,000
Promotion of family Planning	3,60,000
Extension of street light lines	13,50,000
Rent of Anganwadis	5,09,000
Financial assistance to victims of natural calamities	6,37,000
Financial assistance to handicapped persons	4,23,000
Promotion of sports & Cultural activities	12,78,000
Repairs of public wells	4,32,000
Prevention of malaria expenses	1,70,000
Promotion of Libraries expenses	7,73,000

Maintenance of General Sanitation in the Village	9,71,000
Maintenance of Cattle Pound	2,03,000
Refund of EMD	7,44,000
Refund of Security Deposit	6,70,000
Advocates Professional Fees	2,14,000
Cash in hand on 31 st March 2020	13,07,000

Q5. From the following balances of Baroda Electricity Corporation Ltd, prepare Balance Sheet as on 31.03.2020
(20 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 (2019-20)	-	4,95,000
	52,45,000	52,45,000

Additional information

- i. The authorised 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.
- ii. Transfer Rs. 19400 to contingency reserve

Q6. Answer the following:

(4x5=20 Marks)

- a. Consolidated Fund
- b. Demand for Supplementary Grant
- c. Sources of Revenue for Panchayat
- d. BOOT as new area of contracting