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**T.Y. B.com. Semester V (CBCS) Ordinance
EXAMINATION OCTOBER 2019
Accounting Major III : Government Accounting**

[Duration : 2 Hours]

[Total Marks : 80]

Instructions:-

- 1) Question 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.

Q.1 From the following Receipt and Payment Account and Balance sheet of Mapusa Municipality, prepare Income and Expenditure Account for the year ended 31st March, 2019 and a Balance Sheet as on that date. (20 marks)

**RECEIPT & PAYMENT ACCOUNT
For the year ended 31st March 2019**

Receipt	Rs.	Payment	Rs.
To Cash in hand and at Bank (1-04-2018)	6,50,000	By Establishment Expenses	7,55,000
To tax Revenue		By Printing Stationary	1,20,000
House Tax	5,90,000	By water supply	1,02,500
Vehicle Tax	5,70,000	By sewerage & Drainage	1,98,750
Professional Tax	80,000	By Road	1,98,750
Other Tax	70,000	By Repairs to Municipal Building	1,10,000
To Non Tax Revenue		By Investment	6,00,000
Water supply	76,000	By store	2,30,000
Sewerage & Drainage	79,000	By Housing Complex	5,50,000
Roads Lighting	2,67,500	By Repayment of Retention money	2,50,000
Other receipts	6,30,000	By Municipal Service & Commission	2,12,500
To Government Grants		By Cash in Hand and at Bank (31- 03- 2019)	20,05,000
For Road Maintenance	5,50,000		
For Sewerage Maintenance	6,00,000		
To Retention Money			

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From Contractors	5,80,000		
To Advance			
Allotment of Houses	5,90,000		
	53,32,500		53,32,500

BALANCE SHEET

As on 31st March, 2018

Liabilities	Rs.	Assets	Rs.
Capital fund	7,50,000	Fixed Assets	7,00,000
Municipal fund	5,50,000	Housing complex under construction	90,000
Water supply fund	6,00,000	Investments	7,00,000
Loans	6,00,000	Stores	5,25,000
Contractor Retention Money	75,000	Deposits	1,40,000
Depreciation Provision	70,000	Professional Tax Accrued	20,000
Expenses payable	80,000	Cash in Hand and at Bank	6,50,000
Advance for a Allotment of House	1,00,000		
	28,25,000		28,25,000

Additional Information:

1. Provide Rs.62,500 for depreciation on Fixed Assets
2. Accrued professional tax on 31st March, 2018 Rs. 20,000
3. Accrued professional tax on 31st March, 2019 Rs. 10,000
4. Expenses outstanding on 31st March, 2018 Printing & stationary 35000, Establishment expenses Rs.45000
5. Closing stock of stores on 31st March, 2019 Rs. 4,75,000

Q.2 From the following Trial Balance of Kadamba Transport Corporation Ltd, registered under Companies Act 2013, Prepare Balance Sheet as on 31st March,2019 (20 marks)

Particulars	Debits (Rs.)	Credits (Rs.)
Issued, Subscribed & Paid up capital		30,00,000
Grant in Aid under JNRUM Scheme (after adjustment)		15,00,000
Govt. Grants for up gradation (after adjustment)		10,00,000
Profit loss Account(current year Profit)		25,00,000
Long Term Loan form GIDC		80,00,000
Provision for Employee benefits		24,50,000
Provision for Gratuity		14,85,500
Bank overdraft		10,00,000

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BCOM511

From Contractors	5,80,000		
To Advance			
Allotment of Houses	5,90,000		
	53,32,500		53,32,500

BALANCE SHEET

As on 31st March, 2018

Liabilities	Rs.	Assets	Rs.
Capital fund	7,50,000	Fixed Assets	7,00,000
Municipal fund	5,50,000	Housing complex under construction	90,000
Water supply fund	6,00,000	Investments	7,00,000
Loans	6,00,000	Stores	5,25,000
Contractor Retention Money	75,000	Deposits	1,40,000
Depreciation Provision	70,000	Professional Tax Accrued	20,000
Expenses payable	80,000	Cash in Hand and at Bank	6,50,000
Advance for a Allotment of House	1,00,000		
	28,25,000		28,25,000

Additional Information:

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Profit loss Account(current year Profit)		25,00,000
Long Term Loan form GIDC		80,00,000
Provision for Employee benefits		24,50,000
Provision for Gratuity		14,85,500
Bank overdraft		10,00,000

Trade payable		12,00,000
Staff advance payable		7,85,000
KSTC welfare fund		1,76,000
Unclaimed Gratuity		3,30,000
Unpaid wages		2,50,000
Provision for bonus		2,43,500
Land & building	8,00,000	
Bus stand building	12,00,000	
Workshop shade	10,00,000	
Plant & equipment	34,00,000	
Furniture & fixture	10,00,000	
Operating fleet and other vehicles	1,00,00,000	
Investment in shares	15,00,000	
Investment in insurance Deposit fund	25,00,000	
Store and spare parts	2,50,000	
Trade receivable	50,000	
Cash in hand	50,000	
Cash in bank	17,50,000	
Loans & advance to employees	1,00,000	
Prepaid expenses	50,000	
Balance with P.W.D	1,25,000	
Balance with R.T.O	33,000	
Interest accrued on Deposits	12,000	
Computer software	1,00,000	
	2,39,20,000	2,39,20,000

Additional information:

The authorized capital of the corporation was 50,000 equity shares of Rs. 100/- each of which 30,000 equity shares are fully subscribed by the State Government. The corporation declared dividend @ 10% after transferring 5 % to General Reserve.

Q.3 Pentair Ltd has two projects A and Project A and Project B under consideration. Both the (20 marks) projects have a estimated life of 5 years and have initial cash outlay of Rs. 500000 for

Project A and Rs 800000 for Project B

The anticipated cash inflows after tax is an under:

Year	Project A	Project B
1	-	200000
2	100000	280000
3	400000	320000
4	280000	340000
5	120000	160000

The company follows straight line method of depreciation and cost of capital is 16%
The discounted value of Rs. 1 for 5 years at 16% are given below.

Year	1	2	3	4	5
PV@16%	0.826	0.743	0.640	0.552	0.476

You are required to make appraisal of the two projects and advice the company by using the following.

- Payback period
- Average rate of return
- Net present value
- Profitability index

Q.4 A. Project composed of seven activities along with its time estimates is given below. (10 marks)

Activity	Estimated duration (Weeks)		
	Optimistic	Most Likely	Pessimistic
1-2	1	1	7
1-3	1	4	7
1-4	2	2	8
2-5	1	1	1
3-5	2	5	14
4-6	2	5	8
5-6	3	6	15

Considering the above information

- Draw the Project Network.
- The expected Project Length Critical Path

B. What are the principles of government accounting?

(10 marks)

Q.5 A. Karnataka Electricity Corporation Ltd gives the following extract from its trial balance as on 31st March, 2019, Prepare statement of Profit and Loss for the year ended 31st March, 2019

(10 marks)

Also prepare a statement of Reserves and Surplus.

Particulars	Dr.	Cr.
Sale of Energy		
Domestic	-	25,75,000
Industrial		1,49,00,000
Purchase of energy	79,23,000	
Salary and wages	12,00,000	
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	
Director fees and allowances	25,500	
Interest on loan	3,52,500	
Interest on consumers Security deposits	1,20,000	
Rent of meters		1,05,000
Maintenance of public Lamps		22,500
Hire charges on machines		37,500
Miscellaneous receipts		15,000

Additional Information:

1. Depreciation for the year Rs. 17,25,00
2. Provision for taxation Rs. 22,80,000

B. Explain the accounting procedure of Government Expenditure.

(10 marks)

Q.6 Answer the following:

- a. Public Accounts
- b. Votable and Non Votable Grants
- c. Limitation of Present Accounting system of Local Self-Governing Body.
- d. BOO as a new area of Contracting

(5X4=20 marks)