

**Bachelor's Degree Programme  
(BDP)**

**ASSIGNMENT  
2019-20**

**Elective Course in Commerce  
ECO – 02: Accountancy-I**

**For July 2019 and January 2020 admission cycle**



**School of Management Studies  
Indira Gandhi National Open University  
Maidan Garhi, New Delhi -110068**

**Elective Course in Commerce**  
**ECO – 02: Accountancy-I**

**ASSIGNMENT- 2019-20**

Dear Students,

As explained in the Programme Guide, you have to do one Tutor Marked Assignment in this Course.

Assignment is given 30% weightage in the final assessment. To be eligible to appear in the Term-end examination, it is compulsory for you to submit the assignment as per the schedule. Before attempting the assignments, you should carefully read the instructions given in the Programme Guide.

This assignment is valid for two admission cycles (**July 2019 and January 2020**). The validity is given below:

1. Those who are enrolled in **July 2019**, it is valid up to **June 2020**.
2. Those who are enrolled in **January 2020**, it is valid up to **December 2020**.

You have to submit the assignment of all the courses to The Coordinator of your Study Centre. For appearing in June Term-End Examination, you must submit assignment to the Coordinator of your study centre latest by **15<sup>th</sup> March**. Similarly for appearing in December Term-End Examination, you must submit assignments to the Coordinator of your study centre latest by **15<sup>th</sup> September**.

## TUTOR MARKED ASSIGNMENT

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Course Code	:	ECO-02
Course Title	:	Accountancy – 1
Assignment Code	:	ECO-02TMA/2019-20
Coverage	:	All Blocks

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**Maximum Marks: 100**

### Attempt all the questions

1. Define Accounting. What are its objectives? Briefly explain the accounting concepts which guide the accountant at the recording stage. (3+5+12)
  
2. What are the various types of errors that are usually committed in the process of accounting? Explain with the help of examples. (20)
  
3. Ram Das of Hyderabad consigned goods costing Rs. 72,000 to Prakash of Cochin at a pro-forma invoice price which is cost plus a profit of  $\frac{1}{6}$ <sup>th</sup> on invoice price. The consignor paid Rs. 1,800 as insurance and other charges. Prakash received the goods and paid Rs. 3,000 for freight and other charges. He was allowed 3% commission on gross sales.  $\frac{3}{4}$ <sup>th</sup> of the goods were sold at 33.33% profit on cost, half of which were credit sales. Half of the balance was stolen, but the stock being insured, a claim was lodged for Rs. 8,000 and was settled for Rs. 7,000. Balance of stock was valued at proforma invoice price. Write up the Consignment and the Abnormal Loss Accounts. (20)
  
4. (a) Under what circumstances would you prepare Bills Receivable Account and Bills Payable Account while preparing final accounts from incomplete records? Explain  
(b) "Credit Sales can be ascertained either by preparing the total Debtors Account or with the help of Memorandum Trading Account." Discuss. (10+10)
  
5. (a) Describe the methods of recording depreciation in the books of account. How is the balance of the provisions for depreciation account shown in the Balance Sheet?  
(b) What is a secret reserve? Enumerate the method employed by a firm to create secret reserves. Critically evaluate the practice from the viewpoint of general investors and shareholders. (10+10)