

Centre4knowledge

Dr. Amit Sir

Mob: [9310000123](tel:9310000123) amitparihast@hotmail.com Address: K-19/8, DLF Phase-2, Behind Beverly Park, Near Community Centre, Gurgaon

XII ACCOUNTANCY

Assignment 17

Topic: Not-for-Profit-Organisations

Q.1 Identify which of the following is NPO?

- i) Panchsheel club.**
- ii) St. Stephen's Hospital, Delhi.**
- iii) Maharaja Agrasen Hospital**
- iv) Birla Vidya Niketan**
- v) Amity International School**
- vi) Delhi Public Library**
- vii) Gymkhana Club**
- viii) Golf Club**
- ix) Reliance Industries Ltd.**
- x) Gurudwara Bangla Saheb**
- xi) Birla Mandir**
- xii) Infosys Ltd.**

Q.2 From the following calculate amount to be shown in Income and Expenditure A/c

	April 1, 2017	March 31, 2018
Stock of Stationery	24,000	18,000
Creditors for Stationery	43,000	32,400

Amount paid for stationery during the year 2017-18 ` 1,50,000.

Also show how the above will be reflected while preparing final accounts.

Q.3 On the basis of the following information, calculate amount that will appear against the item 'stationery used' in the Income and Expenditure Account for the year ended 31st March, 2018

Stock of Stationery on 1 st April 2017	36,000
Creditors for Stationery as at 1 st April 2017	76,800
Amount Paid for Stationery during the year ended 31 st March 2018	4,20,000
Stock of Stationery as at 31 st March 2018	69,600
Creditors for stationery as at 31 st March 2018	72,000

Also show how the above will be reflected in final accounts.

Q.4 From the following information of a not for profit organization, show the 'sports material' items in the 'income and expenditure account' for the year ending

31st March 2018 and the Balance Sheet as at 31st March 2017 and 31st March 2018.

	April 1, 2017	March 31, 2018
Stock of Sports Material	6,600	17,400
Creditors for Sports Material	23,400	27,600
Advance to Supplies of sports Material	45,000	75,000

Payment to supplies of sports material during the year was ` 3,60,000 there were not cash purchases.

Q.5 Calculate what amount will be posted to be Income and Expenditure Account for the year ended 31st March 2018.

Stock of Stationery on 1 st April 2017	1,800
Creditors for Stationery on 1 st April 2017	1,200
Advance Paid for Stationery carried forward from 2017-18	120
Amount Paid for Stationery during the year	6,480
Stock of Stationery on 31 st March 2018	300
Creditors for Stationery on 31 st March 2018	780
Advance Paid for Stationery on 31 st March 2018	180

Q.6 Show the above items in final accounts.

Q.7 From the following information, calculate the amount to be shown as consumption of sports material for the year ending March 31, 2018:

Amount Paid to Creditors of Sports Material	1,22,000
Opening Stock of Sports Material	40,000
Closing Stock of Sports Material	50,000
Advance to Creditors in the Beginning	4,000
Advance to Creditors in the End	6,000
Creditors for Sports Material in the Beginning	14,000
Creditors for Sports Material in the end	30,000
Cash Purchases of Sports Material	25,000

Q.8 Show the above in final accounts.

Q.9 On the basis of information given below, calculate the amount of medicines to be debited to the Income and Expenditure A/c of Nirvana Hospital for the year ended 31st March, 2018.

	April 1, 2017	March 31, 2018
Stock of Sports Medicines	1,40,000	1,65,000
Creditors for Sports Medicines	12,80,000	17,60,000

Medicines purchased during the year were ` 84,00,000.

Q.10 On the basis of the following information, calculate the amount of stationery to be debited to the Income and Expenditure A/c of Shubham Hospital for the year ended 31st March, 2018.

	April 1, 2017	March 31, 2018
Stock of Stationery	40,000	35,000
Advance to Suppliers	8,000	11,000
Creditors for Stationery	16,000	18,000

Stationery Purchased during the year ` 3,50,000. Also show how the above will be reflected in the final accounts.

Q.11 Prepare Income and Expenditure Account for the year ended 31st March 2018 from the following Receipts and Payments Account.

Receipts	`	Issues	`
To Opening Balance	2,500	By Salaries	7,000
To Subscriptions	60,000	By Payment to Creditors of Stationery	15,000
To Sale of Old Furniture	6,500	By Creditors of Medicines	20,000
(book value 8,000)	8,000	By Furniture Purchases	10,000
To Sale of Investment	5,000	By Defence Bonds	3,000
To donations		By Bicycle Purchased	16,000
	82,000	By Closing Balance	82,000

	April 1, 2017	March 31, 2018
Stock of Stationery	9,000	7,000
Creditors for Stationery	15,000	11,000
Advance to Creditors	7,000	15,000

Q.12 In 2017-18, salaries paid amounted to ` 2,80,000. Ascertain the Income and Expenditure amount for the year ended 31st March, 2018 from the following information:

Prepaid Salaries on 31 st March, 2017	30,000
Prepaid Salaries on 31 st March, 2018	22,000
Outstanding Salaries on 31 st March, 2017	40,000
Outstanding Salaries on 31 st March, 2018	65,000

Q.13 During 2017-18, the miscellaneous expenses paid by Global Club were ` 12,000. Find out the expenses chargeable to Income and Expenditure Account for the year ended 31st March 2018.

Additional Information:

	April 1, 2013	March 31, 2014
Prepaid Expenses	3,500	4,200
Outstanding Expenses	2,500	3,400

Q.14 From the following Receipts and Payment Account of Central Delhi Club and from the given additional information, ascertain the expenditure on account of Salaries for the year ending 31st March 2018 and show the Salaries item in the income and Expenditure Account and Balance sheet as at 31st March, 2017 and 31st March, 2018

An Extract of Receipts and Payments A/c for the year ended 31st March 2018.

By Salaries	
2016-17	60,000
2017-18	8,40,000
2018-19	54,000
Additional Information	
i) Salaries outstanding on 31 st March 2017	75,000
ii) Salaries outstanding on 31 st March 2018	1,35,000
iii) Salaries paid in advance on 31 st March 2017	30,000

Calculation of the Amount of Income to be Credited to Income and Expenditure Account.

Q.15 How will you deal with the following while preparing Income and Expenditure Account of a club for the year ended 31st March, 2018.

	April 1, 2017	March 31, 2018
Prepaid Expenses	3,500	4,800
Advance Locker Rent	1,500	900

Locker Rent Received during the year 2017-18 ` 45,000.

Q.16 How will you deal with the following while preparing Income and Expenditure Account of City Club for the year ended 31st March, 2018.

	April 1, 2017	March 31, 2018
Gym Charges Accrued	7,500	10,200
Advance Gym Charges	3,600	4,800

Gym charges Received during the year 2017-18 ` 68,000.

Also show the treatment of the above items in the final accounts.

Q.17 From the following Receipts and Payment Account of North-East Club and from the additional information, ascertain the income on account of rent for the

year ending 31st March, 2018 and show the Rent item in the Income and Expenditure Account and Balance Sheet as at 31st March, 2017 and 31st March, 2018.

An Extract of Receipts and Payments A/c for the year ending 31st March 2018.

To Rent	
2016-17	15,000
2017-18	1,55,000
2018-19	20,000
Additional Information	
i) Rent outstanding on 31 st March 2017	26,000
ii) Rent outstanding on 31 st March 2018	32,000
iii) Rent paid in advance on 31 st March 2017	18,000

Calculation of Subscription

Q.18 From the following information, calculate the amount of subscription to be credited to the Income and Expenditure Account for the year 2017-18.

i) Subscription Received during the year	90,000
Subscription not year received during the year i.e. due but not received	10,000
ii) Subscription received during the year	1,10,000
Subscription due but not received (Outstanding/Accrued) at the end of the year	16,000
Subscription Due in the beginning	26,000
iii) Subscription received during the year	1,26,000
Subscription due (outstanding) at the end of the year	15,000
Subscription due (outstanding) at the beginning of the year	11,000
Subscription Received in Advance in the beginning	8,000
Subscription Received in Advance at the end	32,000
iv) Subscription received during the year	60,000
1 st April 2017 Subscription in Arrears	10,000
Subscription Received in Advance	6,000
31 st April 2018 Subscription in Arrears	10,000
Subscription Received in Advance	6,000
v) Sports Club of Delhi Received in 2017-18 ` 4,00,000 as subscription.	
Further information is :	25,800
Subscription due but into received on 1-4-2017	16,500
Subscription due to but not received on 31-3-2018	21,000
Subscription received in advanced on 01-4-2017	14,000
Subscription received in Advanced on 31-03-2018	
vi) From the following information, calculate the amount of subscription outstanding for the year ending 2017-18. North-East Delhi Club has 100 members each paying annual subscription of 10,000. The receipts and	

payments received as ` 5,70,000. The following additional information is also provided	
1. Subscription outstanding on 31-3-2017	75,000
2. Subscription received in advance on 31-3-2018	65,000
3. Subscription received in advance on 31-3-2017	34,000
Assume outstanding subscription of previous year(s) is received in current year.	
vii) From the following extracts of Receipts and Payment Account and additional information, you are required to calculate the income from subscriptions for the year ending March 2018 and show them in the Income and Expenditure Account, and the Balance sheet of a Club. An extract of receipts and payments A/c for the year ending 31 st March, 2018.	

Receipts	`	Payments	`
To Subscription			
2016-17 80,000			
2017-18 3,60,000			
2018-19 <u>72,000</u>	4,92,000		

Information

1. Subscription outstanding on 31-3-2017	72,000
2. Subscription outstanding on 31-03-2018	80,000
3. Subscription received in advance on 31-03-2017	72,000

viii) From the following information, calculate the outstanding on 31st March, 2018. A club has 2,000 members each paying on annual subscription of ` 500. The Receipts and Payments Account for the year showed a sum of ` 8,00,000 received as subscription. The following additional information is provided :

1. Subscription outstanding on 31-3-2017	1,80,000
2. Subscription received in advance on 31-3-2018	2,40,000
3. Subscription received in advance on 31-3-2017	3,20,000

ix) Subscription received during the year ended March 31, 2018 by executive club were as under:

2016-17	6,000
2017-18	1,86,000
2018-19	4,000
Total	1,86,000

The club has 1000 members each paying @ ` 200 P.A. Subscription outstanding on March 31, 2017 were ` 16,000. Calculate the amount of subscription to be shown as income in the Income and Expenditure Account for the year ended March 31, 2018 and show the relevant data in the Balance Sheet as at 31st March 2017 and 2018.

x) Extracts of Receipts and Payment Account for the year ended March 31, 2018 are given below:

Receipts			Payments		
To Subscription					
2016-17	12,000				
2017-18	3,84,000				
2018-19	<u>10,000</u>	4,06,000			

Information

1. Subscription outstanding as on 31-3-2017	72,000
2. Total subscription outstanding as on 31-03-2018	80,000
3. Subscription received in advance as on 31-03-2017	72,000

Calculate the amount of subscription to be shown on the income side of Income and Expenditure A/c and show the relevant data in the final account.

xi) From the following, find out the amount of subscription to be included in the Income and Expenditure Account for the year ended 31st March, 2018.

Subscriptions received during the year 2017-18 were :

2016-17	6,000
2017-18	90,000
2018-19	9,000

Subscription outstanding as at 31-3-2017 were ` 10,500 out of which ` 1,500 were considered to be irrecoverable. On the same date, subscriptions received in advance for 2017-18 were ` 6,000. Subscriptions still outstanding as at 31st March, 2018 amounted to ` 18,000.

Also prepare Subscription Account.

xii) From the following information, calculate the amount of subscription to be credited to the Income and Expenditure Account for the year 2017-18.

1. Subscription received during the year	2,50,000
2. Subscription outstanding on 31-3-2017	1,00,000
3. Subscription outstanding on 31-3-2018	30,000
4. Subscription received in advance on 31-3-2017	40,000
5. Subscription received in advanced on 31-3-2018	45,000

Subscription of ` 8,000 is still in arrears for the year 2017-18.

Fund Based Accounting

Q.19 Show the following information statements of a Not-for-Profit Organisation:

Details	`
Donations Received for Match Fund	1,80,000
Sale of Match Tickets	70,000
Match Expenses	40,000

Q.20 Show the following information statements of a Not-for-Profit Organisation:

Details	`
Match Fund	8,00,000
Donations for Match Fund	4,80,000
Sale of Match Tickets	7,20,000
Match Expenses	16,00,000

Q.21 Show the following information statements of a Not-for-Profit Organisation:

Details	`
Match Fund	8,00,000
Donations for Match Fund	4,80,000
Sale of Match Tickets	7,20,000
Match Expenses	21,50,000

Q.22 Show how will you deal with the following items while preparing the Income and Expenditure Account for the year ending on 31st March 2018 and a Balance Sheet as at that date in each of the following alternative cases.

Details	`

i) Prizes awarded	15,000
ii) a) Prize Fund as on 31 st March, 2017	1,20,000
b) Donation for Prizes Received during the year	21,600
c) Prizes awarded	22,000
iii) a) Sports Fund	70,000
b) Sports Fund Investments	70,000
c) Income from Sports Fund Investments	8,000
d) Donations for Sports Fund	30,000
e) Sports Prizes Awarded	20,000
f) Expenses on Sports Events	8,000
iv) a) Prizes awarded	35,000
b) Prize Fund as on 31 st March 2017	2,80,000
c) Donations for Prizes Received during 2017-18	50,400
d) 9% Prize Fund Investments as on 31-3-2017	2,80,000
e) Interest Received on Prize Fund Investments	18,900
v) Receipts from Cinema Show Tickets Expenses	18,000
vi) Expenditure on construction of Pavilion.	9,800
The construction work is in progress and not yet Completed. Pavilion Fund as on 31-3-2017	24,00,000
Donation for Pavilion Received on 15-11-2017	32,00,000
Capital Fund as at 31-3-2017	40,00,000
vii) Prizes Awarded	80,000
Prize Fund as at 31-3-2017	34,000
Donations For Prizes Rec. during the year 2017-18	5,600
10% Prize Fund Investments as at 31-3-2017	24,000
Investment on Prize Fund Investments	24,000

viii) Expenditure on Construction of Building	8,00,000
The Construction work is in progress and has not yet completed	80,000
Opening Building Fund	3,20,000

Opening 10% Building Fund Investment	2,40,000
Donation For Building Received	80,000
Interest Received on Building Fund Investment	16,000
Opening Capital Fund	2,00,000
ix) Sports Fund as 1st April, 2017	2,400
Sports Funds Investments	21,00,000
Interest on Sports Fund Investment	28,00,000
Donation for Sports Fund	28,00,000
Sport Prizes Awarded	35,00,000
Expenses on Sports Events	2,80,000
General Fund	63,00,000
General Fund Investments	8,00,000

Q. 23. From the following Receipts and Payments Account, prepare Income and Expenditure Account for the year ended 31st March, 2018.

Receipts	`	Payments	`
To Balance B/d	40,000	By Rent	6,000
To Entrance Fees:		(including ` 1,500 for	
2016-17 2,000		2016-17)	
2017-18 10,000	12,000	By Insurance Premium	6,000
To Subscriptions		(including ` 1,500 for	
2016-17 2,000		2018-19)	
2017-18(90%) 18,000		By Sports Materials	5,000
2018-19 1,000		By Furniture	
To Life Membership Fees	21,000	(Purchased on 31-3-	6,000
To Donations	4,000	2018)	
To Donations for Tournament	24,000	By 8% Fixed Deposit	12,000
To Subscription for Governor's Party	10,000	(made on 1-10-	
To Interest on 8% Fixed Deposit	3,000	2017)	1,000
To Sale of Old Sports Materials	480	By Tournament Expenses	2,000
To Sale of Old Sports Materials	60	By Purchase of Books	
(Book Value ` 120)	100	By Printing and Stationery	2,000
To Locker Rent		By Balanced c/d	18,000
(including ` 60 for 2016-17)	1,360		
	1,16,000		1,16,000

Q. 24 Following is the summary of cash transactions of the Royal Club for the year ended 31st March, 2018

Receipts	`	Payments	`
To Balance from last year	31,900	By Rent and Rates	16,800
To Entrance Fees;	25,500	By Wages	24,500
To Subscriptions	1,60,000	By Electricity Charges	7,200
To Donations	16,500	By Honoarium	4,350
To Life Membership Fees	25,000	By Books	2,130
To Profit on Entertainment	5,600	By Office Expenses	4,500
		By 3% Fixed Deposit (1 st October, 2017)	8,000
		By Cash at Bank	2,420
		By Cash in Hand	200
	26,450		26,450

In the beginning of the year, the Club possessed Books worth ` 20,000 and Furniture worth ` 8,500. Ordinary Subscriptions in arrears in the beginning of the year amounted to ` 350 and at the end of the year ` 450 and six months Rent ` 600 was due both in the beginning of the year and the end of the year.

Prepare Income and Expenditure Account of the Club for the year ended 31st March, 2018 and its Balance sheet as at that date after writing off ` 500 and ` 1,130 on Furniture and Books respectively.

Q.25. Following is the Receipts and Payments Account of Star Club for the year ended 31st March, 2018:

Receipts	₹	Payments	₹
To Balance b/d on 01-04-2017	44,000	By Salaries	1,18,200
To Subscriptions	4,61,000	By Rent	1,50,000
To Interest	25,000	By Printing and Stationery	73,000
To Tournament Fund	1,20,000	By Expenses on Charity Show	1,61,000
To Donation for Building extension	60,000	By Tournament Expenses	75,000
To Donation for Building extension	2,00,000	By Investments Purchased	1,00,000
To Receipts from advertisement in the year book	52,000	By Furniture	60,000
		By Balance c/d on 31-03-18	1,61,000
	9,62,000		9,62,000

Subscriptions outstanding on 31st March, 2017 were ₹ 4,500 and on 31st March 2018 were ₹ 6,000. Rent outstanding at the beginning of the year was ₹ 1,000 and in the end was ₹ 1,500. Furniture was purchased on 1st April, 2017.

On 1st April, 2017 the Club had Furniture valued ₹ 8,000 and Investments valued ₹ 15,000.

Prepare Income and Expenditure A/c for the year ended 31st March, 2018 and a Balance Sheet as at that date, after depreciating furniture by 10% p.a.

Q. 26. Following is the Receipts and Payments Account of Rajdhani Club for the year ended 31st March, 2018.

Receipts		Payments	
To Balance b/d on 1-1-2017		By Staff Salaries	1,77,000
Cash in Hand	20,000	By Canteen Expenses	17,500
Cash in Deposit Account	80,000	By Misc. Expenses	4,000
Cash in Current Account	26,000	By Insurance	10,000
To Subscriptions	4,00,000	By Telephone Expenses	24,000
To Entrance Fees	60,000	By Furniture Purchased	75,000
To Life Membership Fees	75,000	By Investments Purchased	2,30,000
To Newspapers (Sales)	1,000	By Balance c/d on 31-03-2018	
To Canteen Collections	22,000	Cash in Hand	33,500
To Interest on Deposits	8,000	Cash in Deposit A/c	1,00,000
		Cash in Current A/c	21,000
	6,92,000		6,92,000

Additional Information:-

	April 1, 2017	March 31, 2018
i) Outstanding Subscriptions	35,000	28,000
ii) Subscriptions Received in advance	10,000	12,500
iii) Salaries Outstanding	6,000	9,000
iv) Insurance Prepaid	2,000	2,500
v) Furniture	50,000	?
vi) Sports Equipment	1,00,000	?

Depreciate furniture by 20% and Sports Equipment by 30%.

You are required to prepare an Income and Expenditure Account for the year ended 31st March, 2018 and a Balance Sheet as at that date.

Q. 27. Following is the Receipts and Payments Account of Chennai Sports Club for the year ended 31-03-2018:

Receipts		Payments	
Balance b/d	10,000	Salary	24,000
Subscriptions	52,000	Furniture	20,000
Entrance Fees	8,000	Office Expenses	16,000
Tournament Fund	30,000	Tournament Expenses	42,000
Sale of old newspapers	4,000	Sports Equipment	40,000
Legacy	70,000	Balance c/d	32,000
	1,74,000		1,74,000

Additional Information:-

	31-03-2017	31-03-2018
i) Outstanding Subscriptions	4,000	3,000
ii) Salary outstanding	2,000	3,000
iii) The Club Had building	80,000	-
iv) Furniture	20,000	-
v) 10% Investment	45,000	-
vi) Sports Equipment	25,000	-
vii) Depreciation charged on these items including purchases was 10%.		

Depreciate furniture by 20% and Sports Equipment by 30%.

You are required to prepare an Income and Expenditure Account for the year ended 31st March, 2018 and a Balance Sheet as at that date.

Q. 28. From the following particulars relating to Nirvana Hospital, prepare Income and Expenditure account for the year ended 31st March, 2018.

Receipts		Payments	
To Cash in Hand on 1 st April 2017	71,130	By Medicines	3,59,000
To Subscriptions	4,79,960	By Doctor's Information	90,000
To Donations	1,45,000	By Salaries	2,75,000
To Interest on Investments @ 7% p.a. for full year	70,000	By Petty Expenses	4,610
To Proceeds from Charity Show	1,45,000	By Equipment	1,50,000
		By Expenses on Charity show	7,500
		By Cash in Hand on 31-3-18	37,750
	8,70,760		8,70,760

Additional Information:-

	01-04-2017	31-03-2018
i) Subscriptions due	2,400	2,280
ii) Subscriptions received in advance	640	1,000
iii) Stock of medicines	80,810	97,400
iv) Estimated value of equipment's	2,12,000	3,16,000
v) Buildings (Cost less depreciation)	4,00,000	3,80,000

Q. 29. The Modern Club's Balance Sheet as at 1st April, 2017 was as under

Liabilities		Assets	
Subscriptions in Advance	6,000	Sports Equipment	50,000
Salaries Unpaid	11,000	Grounds	1,20,000
Capital Fund	2,00,000	Billiards Table	60,000
Tournament Fund	60,000	Subscriptions Outstanding	8,000
		Cash and Bank Balances	39,000
	2,77,000		2,77,000

The Receipts and Payments Account for the year ended 31st March, 2018 was:

Receipts	`	Payments	`
To Opening Balance	39,000	By Wages and Salaries	60,000
To Subscriptions	1,81,000	By Upkeep of Grounds	10,000
To Sale of Old Materials	1,500	By Stationery	15,000
To Sale of Sports Equipment (costing ` 1,000)	6,000	By Audit Fee	2,000
To Entrance Fees	2,000	By Expenses on Teams	65,000
To Life Membership Fees	50,000	By Sports Equipment	20,000
To Donations for Tournament	20,000	By Investments @ 5% (on 1 st October, 2017)	40,000
		By Cash and Bank Balances	87,500
	2,99,500		2,99,500

Subscriptions still to be received are ` 550 but subscriptions already received include ` 400 for next year. Salaries still unpaid are ` 600. Sports Equipment are now valued at ` 4,500. Prepare Income and Expenditure Account and the Balance Sheet, after charging 10% depreciation on Billiards Tables.