

# Practice Test-3 (Subjective)

## Sampurna June 2024

### Accounting

### Non-Profit Organisation

**Q1** The Income and Expenditure Account of City Sports Club for the year ended 31st March, 2019 was as follows:

Expenditures	₹	Incomes	₹
To Salaries	1,20,000	By Subscription	1,60,000
To Printing and Stationery	6,000	By Entrance Fees	10,000
To Rent	12,000	By Contribution for Annual Dinner	20,000
To Repairs	10,000		
To Sundry Expenses	8,000	By Profit on Annual Sports meet	20,000
To Annual Dinner Expenses	30,000		
To Interest to Bank	6,000		
To Depreciation on Sports Equipment	6,000		
To Excess of Income over Expenditure	12,000		
	2,10,000		2,10,000

The above account had been prepared after the following adjustments:

	₹
Subscription outstanding on 31.03.2018	12,000

Subscription received in advance on 31.03.2018	9,000
Subscription received in advance on 31.03.2019	5,400
Subscription outstanding on 31.03.2019	15,000

Salaries outstanding at the beginning and at the end of the financial year were ₹ 8,000 and ₹ 10,000 respectively. Sundry expenses included prepaid insurance expenses of ₹ 1,200.

The club owned a freehold ground valued ₹ 2,00,000. The club has sports equipment on 01.04.2018 valued at ₹ 52,000. At the end of the year after depreciation the sports equipment amounted to ₹ 54,000. The club raised a loan of ₹ 40,000 from a bank on 01.01.2018 which was unpaid till 31.03.2019. On 31.03.2019 Cash in hand was ₹ 32,000.

Prepare Receipts and Payments account of the club for the year ended 31st March, 2019 and Balance Sheet as on that date.

**Q2** From the following information supplied by M.B.S. Club prepare Receipts and Payments Account and Income and Expenditure Account for the year ended 31st March 2019.

	01.04.2018 ₹	31.03.2019 ₹
Outstanding subscription	1,40,000	2,00,000
Advance Subscription	25,000	30,000
Outstanding Salaries	15,000	18,000
Cash in Hand and at	1,10,000	??



Bank		
10% Investment	1,40,000	70,000
Furniture	28,000	14,000
Machinery	10,000	20,000
Sports Goods	15,000	25,000

Subscription for the year amount to ₹3,00,000.  
Salaries paid ₹60,000. Face value of the Investment was ₹1,75,000, 50% of the Investment was sold at 80% of Face Value. Interest on Investments was received ₹14,000.

Furniture was sold for ₹ 8000 at the beginning of the year. Machinery and Sports Goods purchased and put to use at the last date of the year. Charge depreciation @ 15% p.a. on Machinery and Sports Goods and @10% p.a. on Furniture.

Following Expenses were made during the year:

Sports Expenses: ₹50,000

Rent : ₹24,000 out of which ₹2,000 outstanding

Misc. Expenses : ₹ 5,000

