

CA FOUNDATION



Subject : Accounts

NPO

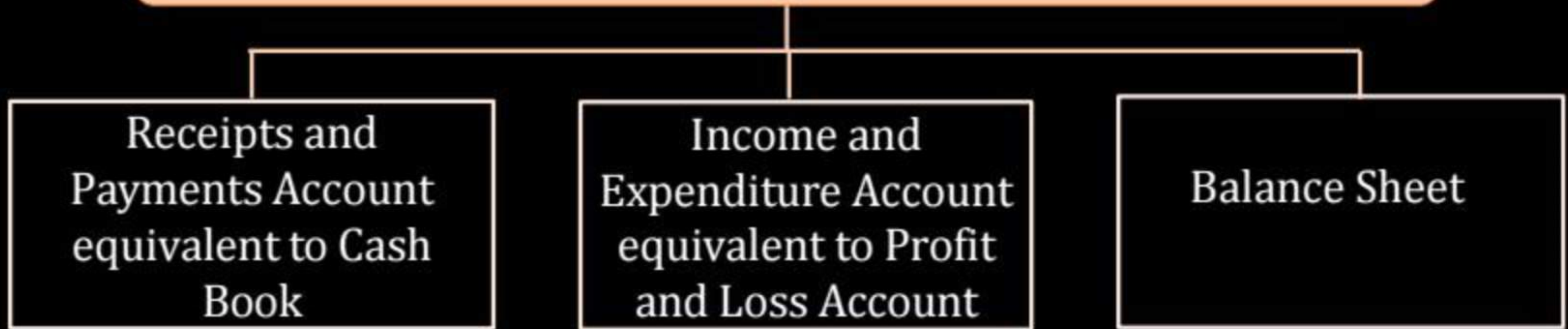
(Not for Profit Organisations)



By- CA Rishabh Rohra



Financial statements of Not-for-profit-Organisations



Donations, Entrance and Admission Fees, Subscription, Life Membership Fee are some of the Sources of incomes for the non-profit organizations which have different treatments based on the nature of the receipts.



NPO

Profit making org

IEE A/c

Trading A/c

P&L A/c

BS

BS

R2P A/c

Cash A/c

Bank A/c





Difference R2PAIC vs I2EAC

R2PAIC

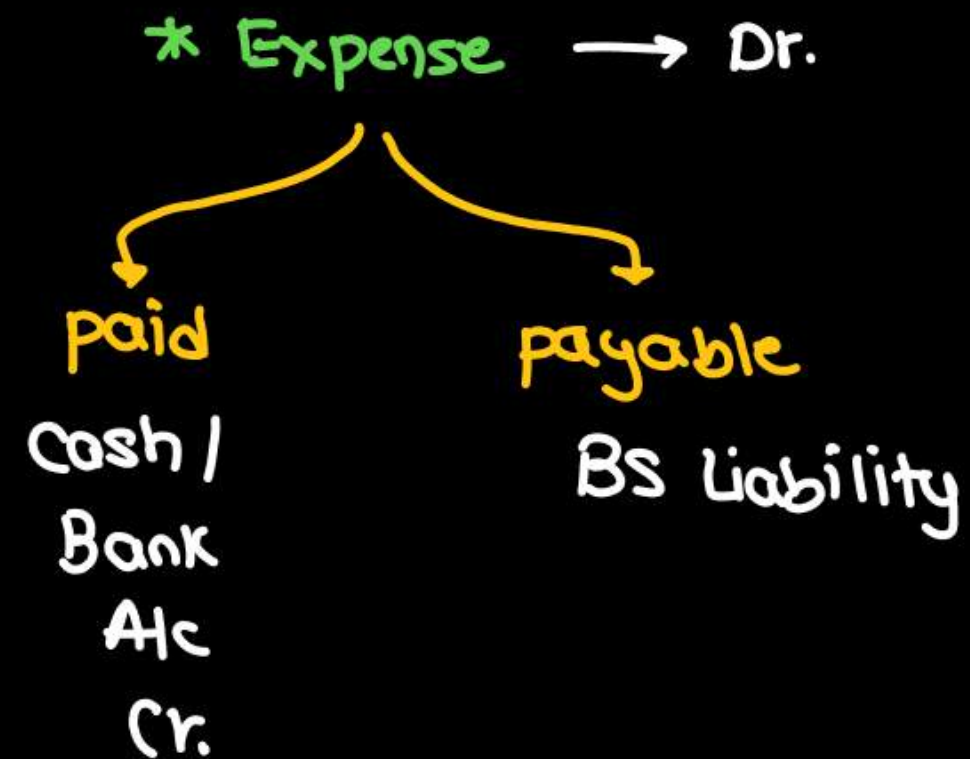
I2EAC

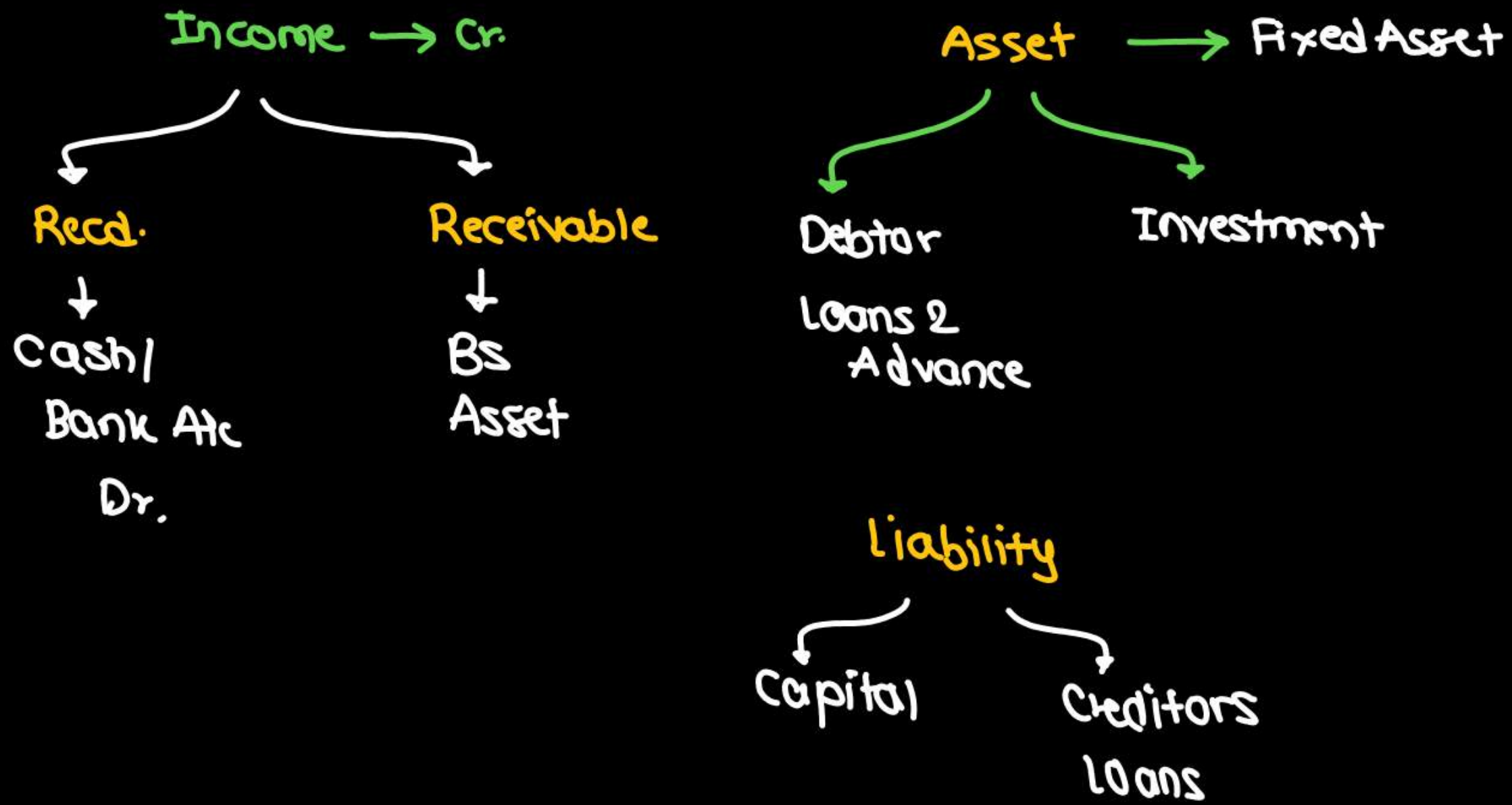
R2PAIC		I2EAC	
₹aaya Year is not relevant	₹gaya Year is not relevant	CY Kharche	CY Kamei

Basics of Accounts needed in this Chapter



Dr.	Cr.
Asset	Liability
Exp.	Income







Trial-Bal. → Single Effect

Adjustment → minimum 2 Effect

Trial-Bal. ABC Ltd

		Dr.	Cr.
Cash	BS A	20,000	-
Bank	BSA	50,000	-
Salary	P&L A/c →	1,50,000	-
Sales	Trading A/c Cr.	-	2,50,000
Debtor	BS A	1,30,000	-
Creditor	BS L	-	50,000
Capital	BS L	-	50,000
		3,50,000	3,50,000

$$\frac{\text{₹}1,50,000}{15} = \text{₹}10,000 \text{ p.m}$$

P&L A/c	
Salary	1,50,000
(-)	30,000
	<u>1,20,000</u>

Adjustment :-

- (i) Cl. Stock for year ended is ₹3L → (1) Trading Cr. (2) BS Asset
- (ii) Salary for 3 month paid in advance → (1) P&L A/c Dr (-) (2) BS Asset ₹20,000



Expense TB → Trading A/c Dr.
P&L A/c Dr.

Income TB → Trading Cr.
P&L A/c Cr.

Adjustment

Adjustment

Expense payable

Expense paid in Adv.

Income Receivable

Income Recd. in Advance

(1) Trading Dr. +
or
P&L A/c Dr. +

(1) Trading Dr. (-)
or
P&L A/c Dr. (-)

(1) Trading Cr. +
or
P&L Cr. +

(1) Trading Cr. (-)
or
P&L Cr. (-)

(2) BS Liability

(2) BS Asset

(2) BS Asset

(2) BS Liability

Different types of Receipt in NPO



* Donation $\begin{cases} \rightarrow \text{specific} \\ \rightarrow \text{general} \end{cases}$

* Govt. grants

* Entrance fees £10/Day Per month £300

* Subscription Package 1m \rightarrow ~~£300~~ £200 per annum £2,400

* Sale of old Newspaper

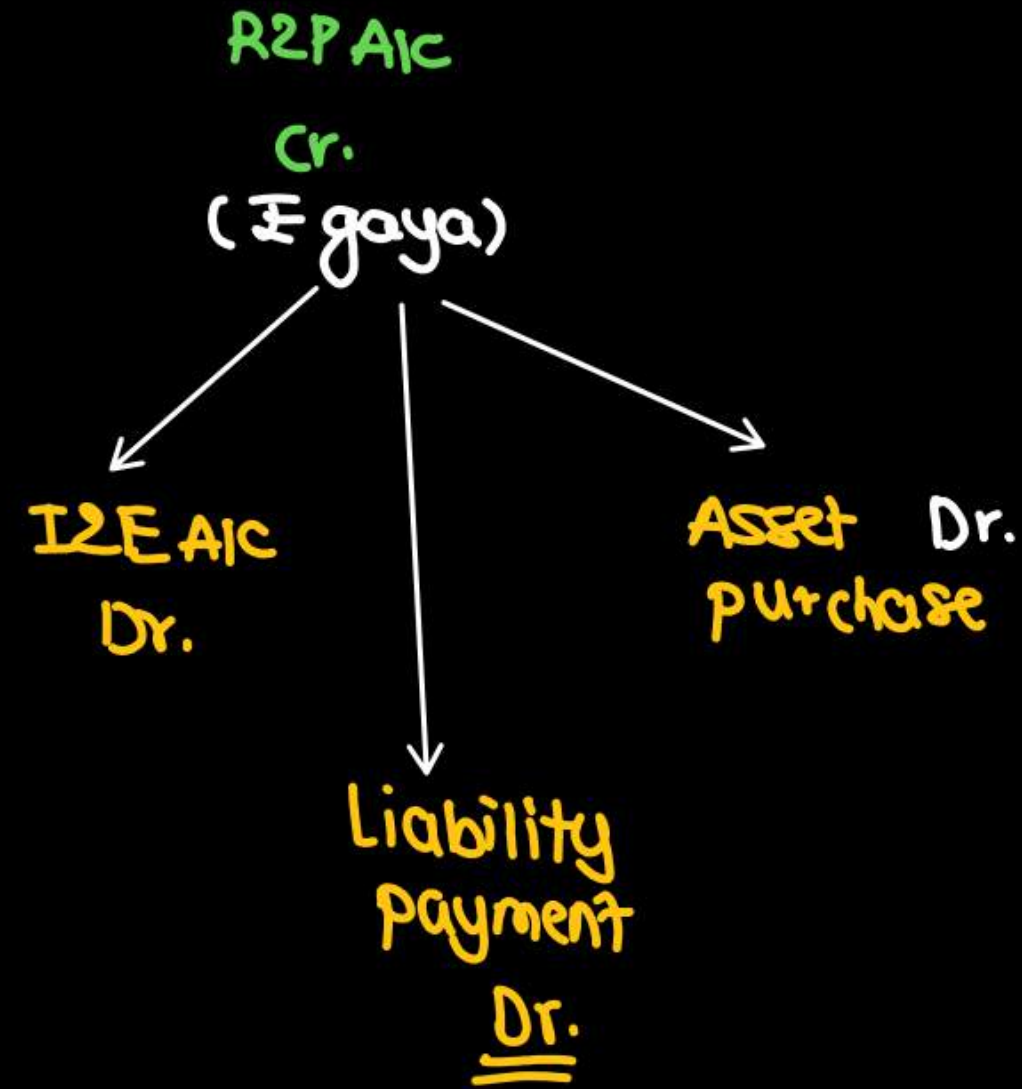
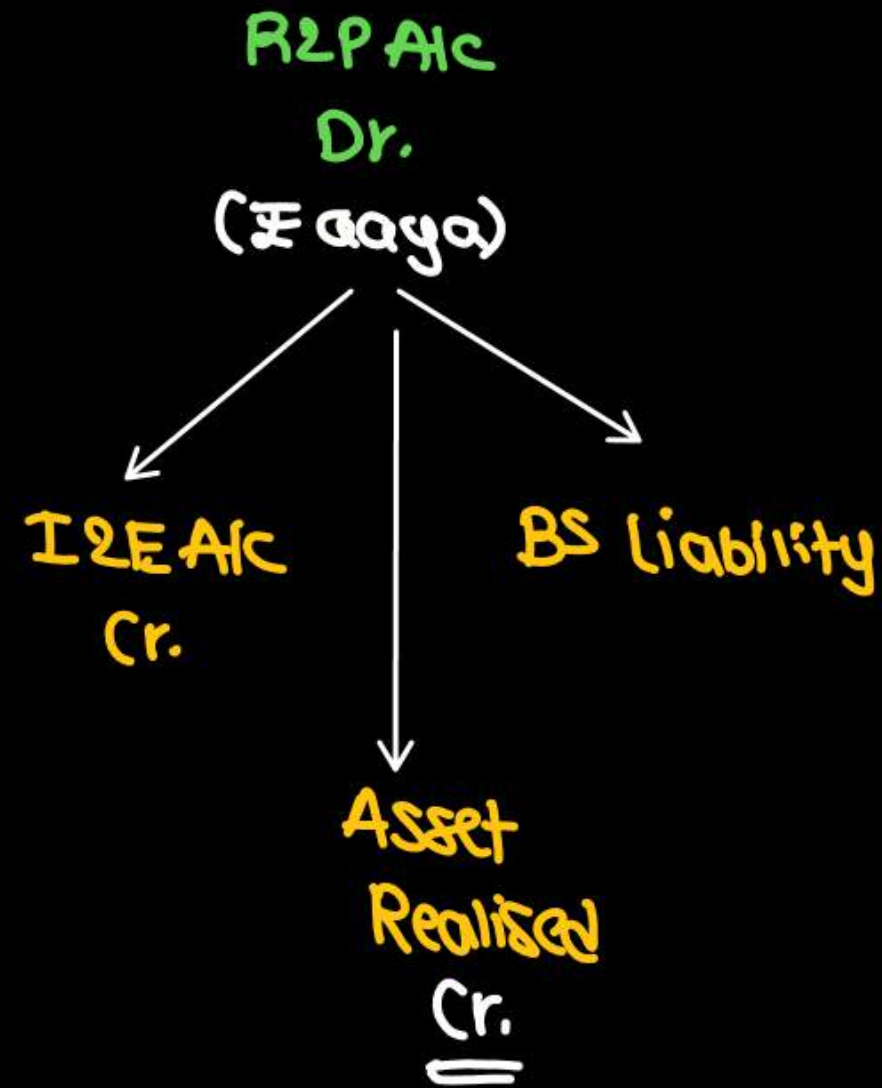
* Life Time membership \rightarrow Expected 25 year \times £2400 = ~~£60,000~~ £48,000



Examiner → Question

Type 1 → R2P A/c → I2E A/c with BS

Type 2 → I2E A/c → R2P A/c with BS



Discussion about Subscription Account



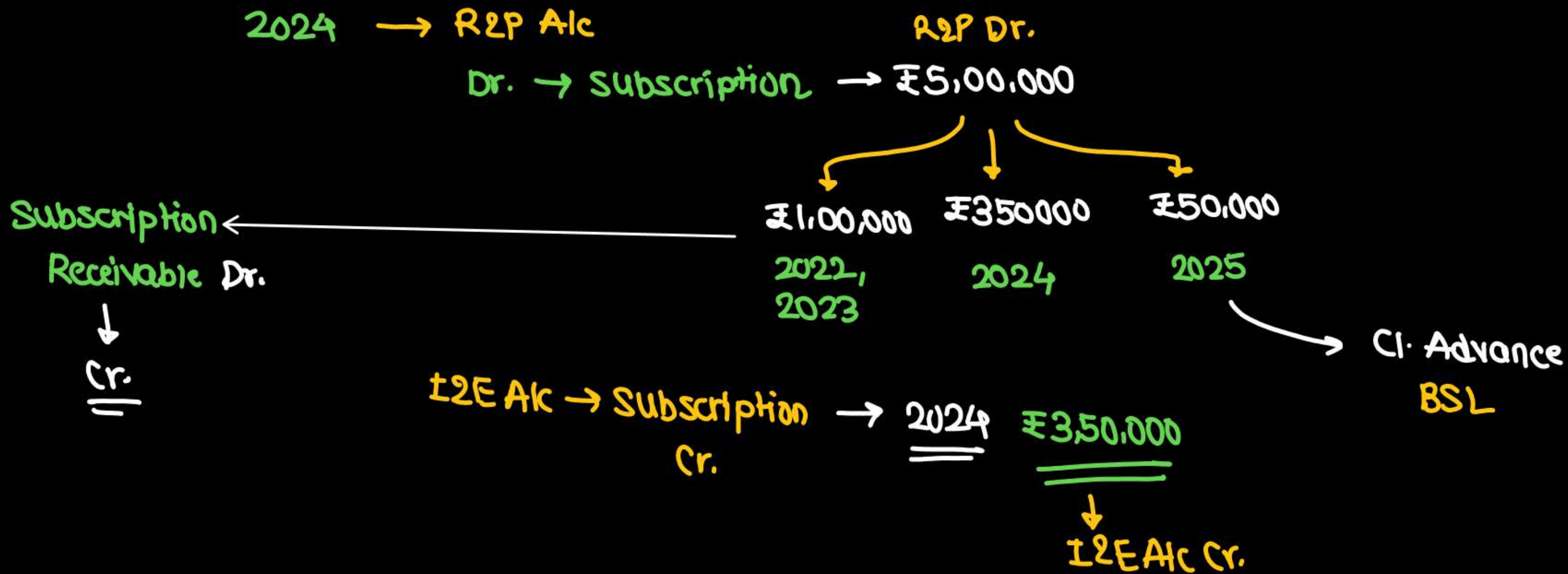
Subscription A/c

Income → Receivable → BSA
 Income → Adv Recd. → BSL

Particulars	Amount	Particulars	Amount
To Op. Outstanding (Receivable) ↳ Asset → OP.Dr.		By Op. Advance ↳ Income → Liability → Cr. Recd. in Adv	
To Subscription A/c (Bal. Fig)		By R&P A/c (Cash/Bank)	
To Cl. Advance		By Cl. Outstanding	



Example:-





Format Relevant for all Income & Expense

Particulars		
OP. BS →	Receipt & Payment A/c + opening Advance	
CI. BS →	+ Closing outstanding	
OP. BS →	(-) opening outstanding	
CI. BS →	(-) Closing Advance	
± P.E. A/c		



Q. The receipts and payments for the Swaraj Club for the year ended March 31, 2022 were: Entrance fees ₹ 300; Membership Fees ₹ 3,000; Donation for Club Pavilion ₹ 10,000, Foodstuff sales ₹ 1,200; Salaries and Wages ₹ 1,200 Purchase of Foodstuff ₹ 800; Construction of Club Pavilion ₹11,000; General Expenses ₹ 600; Rent and Taxes ₹ 400; Bank Charges ₹ 160.

Cash in hand—Op. Bal. April. 1st ₹ 200, Cl. Bal. March. 31st ₹ 350

Cash in Bank—April. 1st ₹ 400; March. 31st ₹ 590

You are required to prepare Receipts and Payment Account





Swaraj Club

Receipts and Payments Accounts for the year ended 31st March, 2022

Receipts	₹	Payments	₹
To Bal b/d → Cash in Hand 200 Cash at Bank 400	600	By Salaries & Wages 1,200	1,200
To Entrance Fees 300	300	By purchase of food stuff 800	800
To membership 3,000	3,000	By construction of club pavilion 11,000	11,000
To Donation for club pavilion 10,000	10,000	By general Expense 600	600
To Foodstuff sales 1,200	1,200	By Rent and Taxes 400	400
		By Bank charges 160	160
		By Bal c/d - Cash in hand - 350	
		Cash at Bank - 580	940
	15,100		15,100



Q. During 2022, subscription received in cash is ₹ 42,000. It includes ₹ 1,600 for 2021 and ₹ 600 for 2023. Also ₹ 3,000 has still to be received for 2022.

R2PAIC

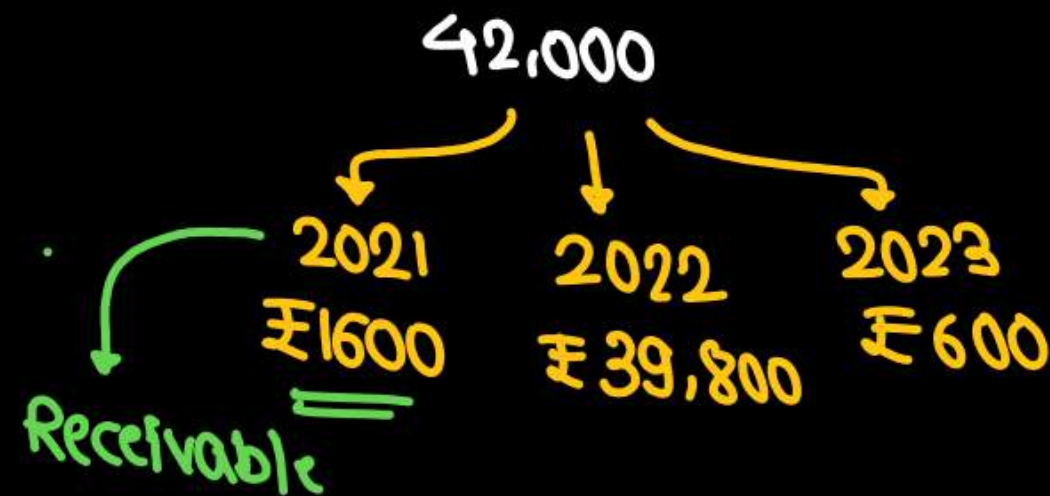
Required

Calculate the amount to be credited to Income and Expenditure Account in respect of subscription.

↳ Receivable → 2022

2022 → or later
Cl. Bal.

Cl. Receivable /	₹ 3,000
Cl. O/S	
Cl. Adv	₹ 600
Op. Receivable	₹ 1600





Format Relevant for all Income & Expense

	Particulars	subscription
	Receipt & Payment A/c	₹ 42,000
OP. BS →	+ opening Advance	—
CI. BS →	+ Closing outstanding	₹ 3,000
OP. BS →	(-) opening outstanding	(₹ 1,600)
CI. BS →	(-) Closing Advance	(₹ 600)
	₹ 42,800	₹ 42,800

↓
₹ 42,800



Q. Suppose salaries paid during ^{R2PAIC} 2022 were ₹ 23,000. The following further information is available:

	op. Previous year	2022 or later → Cl.	₹
Expense ^{OIS} Salaries unpaid on 31st <u>March</u> ,		→ 2021 ^{Op.OIS}	1,400
" ^{Advance} pre-paid on " "		→ 2021 ^{Op.Adv}	400
^{Outstanding} " ^{Advance} un-paid on " "		→ 2022 ^{Cl.OIS}	1,800
pre-paid " "		→ 2022 ^{Cl.Adv}	600

Required

Calculate the amount to be debited to Income and expenditure account in respect of salaries and also show necessary ledger accounts.

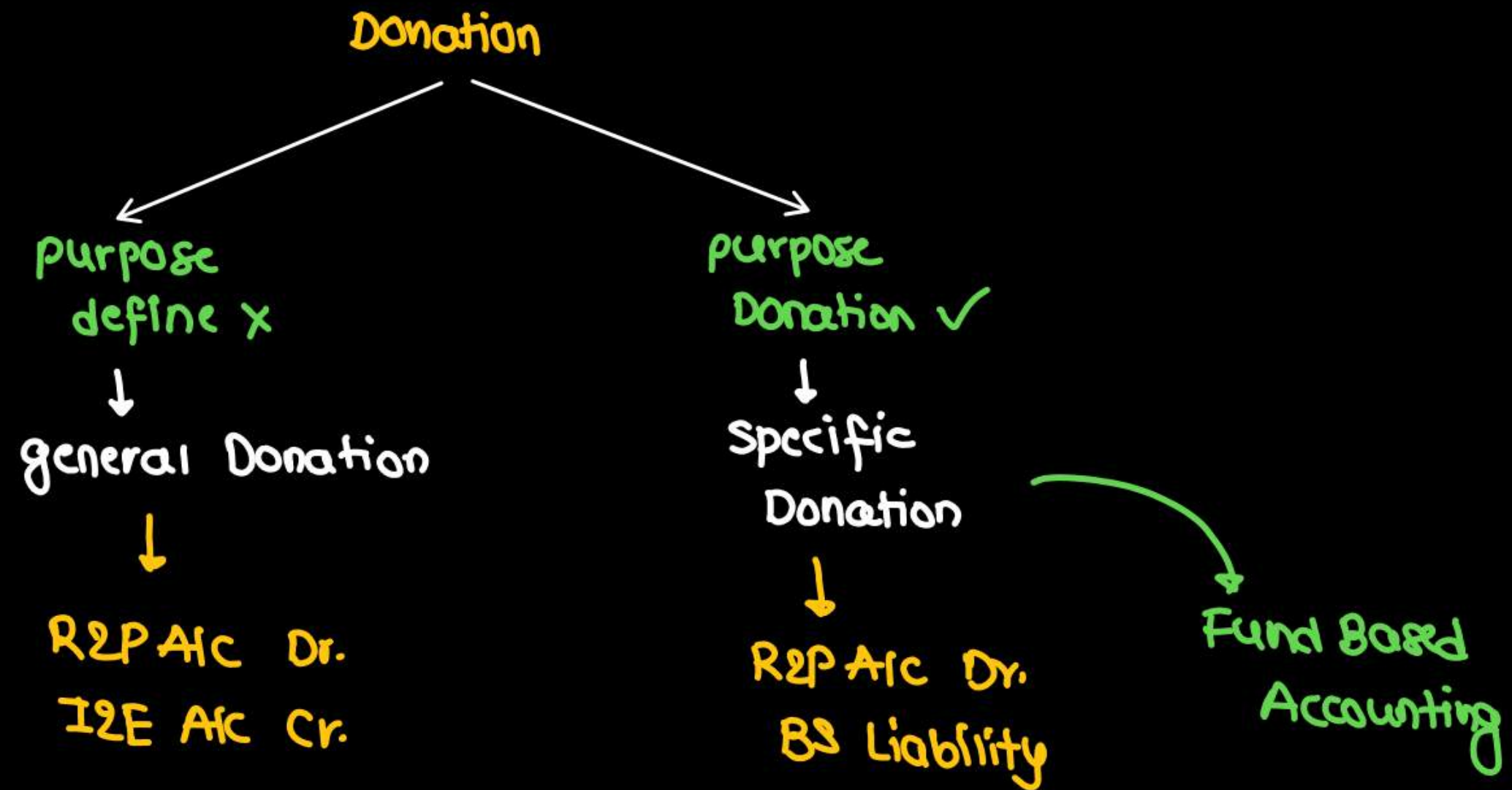


Format Relevant for all Income & Expense

	Particulars	Salary
	Receipt & Payment A/c	₹ 23,000
OP. BS →	+ opening Advance	₹ 400 → OP. BS
CI. BS →	+ Closing outstanding	₹ 1,800 → CI. BS
OP. BS →	(-) opening outstanding	(₹ 1,400) → OP. BS
CI. BS →	(-) Closing Advance	(₹ 600) → CI. BS
	±2E A/c	₹ 23,200

↓
12E
Dr.

Types of Donation and their Treatment



Fund Based Accounting



specific Donation → ₹10,000
↓
Langgar

Dr. R2P A/c		BS	
Op. Bal 50,000	Case 1:- 8000		
10,000	Case 2:- 18000		
	Case 3:- 10000	Langgar Fund	10,000

Langgar Exp :-

Case 1:- ₹ 8,000

R2P A/c Cr.
₹ 8,000

Fund (-) 8,000

BS	
10k	
(-) 8k	
<u>2k</u>	

Case 2:- ₹ 18,000

R2P A/c Cr.
₹ 18,000

Fund (-) 10,000

BS	
10k	
(-) 10k	
<u>0</u>	

Rest 8000 I2E A/c Dr.

Case 3:- ₹ 10,000

R2P A/c Cr.
₹ 10,000

Fund (-) 10,000

BS	
10k	
(-) 10k	
<u>0</u>	



Income Recd. from Investment made out of specific Donation

Recd. Specific Donation → ₹1,00,000

Recd. REPAIC Dr. Receivable BS Asset

$$YE :- 1,00,000 \times 6\% = 6,000$$

Normally this goes to REPAIC

But since this Int is Recd. on investment made out of specific Donation

∴ ₹6000 Cr. i.e. Add Fund

Dr.	REPAIC	L	BS
1,00,000	FD 100000	Langgar 1,00,000 Fund	FD 6% 100000
		+ Int 6,000	
		<u>1,06,000</u>	

Membership Fees



Life Time Membership Fees

R2PAIC Dr.
Capital +

Life Time Membership
(Revenue)

R2PAIC Dr.
I2E AIC Cr.

Membership Fees

R2PAIC Dr.
I2E AIC Cr.

Treatment on Sale of Old Newspaper & Legacy Donation



Sale of old Newspaper.

R2P A/c Dr.

I2E A/c Cr.

Legacy Donation (R2P Dr.)

↓

will →

purpose →

Yes →

specific
Donation →

BSL

No →

general
Donation →

I2E
Cr.



Q. Following is the Receipts and Payments Account of New bird Forty Club for the year ended 31st March, 2022:

Op. < 310321 or 01104121
 01104121 to 31103122
 31103122 or later → Cr Cl. Bal

Dr Receipts and payments A/c for the year ended on 31st March 2022

Receipts	Amount (₹)	Payments	Amount (₹)
OP. Bal: → To balance b/d	2,50,000	By Salaries and wages *	1,65,000
✓ To Subscription- * Linked Py 2020-2021	420000	By Office expenses	35,000
Cy 2021-2022	65,000	By Sports equipment Asset *	3,42,000
✓ To Donations	3,55,000	By Telephone Charges	28,000
✓ To Entrance fees * ↳ BSL ↳ I2 F Cr.	55,000	By Electricity charges	32,000
	85,000	By Travelling and conveyance	65,000
		By balance c/d → Cl. Bal.	1,43,000
	8,10,000		8,10,000



Additional information :

- a) ^{Receivable} Outstanding subscriptions for the year ended 31st March, 2022 - ₹ 55,000. CI-OIS → CI-BS
- b) ^{payable} Outstanding salaries and wages - ₹ 40,000 for the year ended on 31st March 2022. CI-OIS → CI-BS
- c) Depreciate sports equipment by 25% for the year ended on 31st March 2022.
- d) ^{Capital +} Capitalize 50% of the entrance fees. EF → 50% Capital +
→ 50% I2E A/c

Prepare Income and Expenditure Account of the club from the above particulars for the year ended on 31st March 2022.

R2P Dr. I2E Cr. BSL

R2P Cr. I2E Dr. BSA



TRF AC

Particulars	Amt (₹)	Particulars	Amt (₹)
To salary & wages	2,05,000	By subscription	4,10,000
To Office Expense	35,000	By Donation	55,000
To Telephone charges	28,000	By Entrance fees	42,500
To Electricity charges	32,000	(85000 x 50%)	
To Travelling & conveyance	65,000		
To Depreciation	85,500		
(3,42,000 x 25%)			
To Surplus	57,000		
	5,07,500		5,07,500



Calculation of Income / Expense under Different Head

Particulars	Subscription	Salary and Wages			
R&P A/c	4,20,000	1,65,000			
Add: Op. Adv	-	-			
Add: Cl. O/s	55,000	40,000			
Less: Cl. Adv	-	-			
Less: Op. O/s	(65,000)	-			
TOTAL	4,10,000	2,05,000			

420000 → 20-21 ₹ 65000
→ 21-22 ₹ 355000



Q. The Sportswriters Club gives the following Receipts and Payments Account for the year ended March 31, 2022:

Receipts and Payments Account

Receipts	₹	Payments	₹
To Balance b/d → OP.Bal ✓	4,280 4820	By Salaries	12,000
✓ To Subscriptions	28,600	By Rent and electricity	7,220
✓ To Miscellaneous income	700	By Library books → purchase	1,000
✓ To Interest on Fixed deposit	2,000	By Magazines and newspapers ✓	2,172
		By Sundry expenses ✓	10,278
		By Sports equipments purchase	1,000
		By Balance c/d Cl-Bal Cl-Bal	<u>2,450</u>
	36,120		36,120



Figures of other assets and liabilities are furnished as follows:

	As a March 31	
	₹	₹
	2021	2022
Salaries outstanding BSL	710	170
Outstanding rent & electricity BSL	864	973
Outstanding for magazines and newspapers BSL	226	340
Fixed Deposit (10%) with bank BSA	20,000	20,000
Interest accrued thereon BSA Receivable	500	500
Subscription receivable BSA	1,263	1,575
Prepaid expenses BSA	Op. 417	Cl. 620
Furniture BSA	9,600	??
Sports equipments BSA	7,200	??
Library books BSA	5,000	5,250



The closing values of furniture and sports equipments are to be determined after charging depreciation at ^{10%}10% and ^{20%}20% p.a. respectively inclusive of the additions, if any, during the year. The Club's library books are revalued at the end of every year and the value at the end of March 31, 2022 was ₹ 5,250.

Required

From the above information you are required to prepare:

- a) The Club's Balance Sheet as at March 31, 2021;
- b) The Club's Income and Expenditure Account for the year ended March 31, 2022.
- c) The Club's Closing Balance Sheet as at March 31, 2022.



WN:-

BS as on 31/03/21

BS
as on 31/03/22

L		A	
Capital (Bal-fig)	47,000	Furniture	9,600
		Sport Equipment	7,200
		Library Books	5,000
Salary O/S	710	10% FD	20,000
O/S R2E	864	Int. on FD	500
O/S m2N	226	Sub. Receivable	1,263
		Prepaid Exp	417
		C2B Bal.	4,820
	48,800		48,800

L		A	
Capital.		Furniture	8,640
Op. 47,000		Sport Equipment	6,560
(-) Deficit <u>(2,888)</u>	44,112	Library Books	5,250
Salary O/S	170	10% FD	20,000
O/S Rent & Elect -	973	Int. on FD	500
O/S m2N	340	Sub. Receivable	1,575
		Prepaid Exp.	620
		Cash & Bank Bal.	2,450
	45,595		45,595

$$540 \times 2 = 1080$$

$$540 \div 2 = 270$$



Calculation of Income / Expense under Different Head

Particulars	Subscription	Int. on FD	salary	R2E	M2E
R&P A/c	28,600	2,000	12,000	7,220	2,172
Add: Op. Adv	—	—	—	—	—
Add: Cl. O/s	1,575	500	170	973	340
Less: Cl. Adv	—	—	—	—	—
Less: Op. O/s	(1,263)	(500)	(710)	(864)	(226)
I2E A/c	28,912	2,000	11,460	7,329	2,286

Sundry exp R2P 10,278
Add OpAdv 417
less ClAdv (620)
10,075



Calculation of Asset

Particulars	Library Book	Sport Equipment	Furniture		
Op. Bal.	5,000	7,200	9,600		
Add: Purchase (R&P)	1,000	1,000			
Less: Sale (R&P)	-	-			
Less: Loss (I&E Dr.)	-	-		Total Depn =	750 + 1640 + 960
Add: Profit (I&E Cr.)	-	-			3,350
Less: Depn (I&E Dr.)	(750)	(1,640)	(960)		
Cl. Bal.	5,250	6,560	8,640		

$$8200 \times 20\% \quad 9600 \times 10\%$$

=



Imp ✓

Q. The following was the Receipts and Payments Account of Exe Club for the year ended March. 31, 2022

R2P A/c 2022

All the figures in thousands

PB
↓
CB
||

BRs
||

Receipts	₹	Payments	₹
Cash in hand	100	Groundsman's Fee ✓	750
Balance at Bank as per Pass Book:		Moving Machine ✓	1,500
Deposit Account	2,230	Rent of Ground ✓	250
Current Account	600	Cost of Teas	250
Bank Interest ✓	30	Fares	400
Donations and Subscriptions ✓	2,600	Printing & Office Expenses	280
Receipts from teas	300	Repairs to Equipment	500
		Honorarium to Secretary and	



Receipts	₹	Payments	₹
Contribution to fares	100	Treasurer of <u>2021</u>	400
Sale of Equipment	80	Balance at Bank as per	
Net proceeds of Variety		Pass Book:	
Entertainment	780	Deposit Account	3,090
Donation for forth coming		Current Account BRS	150
<u>Tournament</u> Specific Donation	1,000	Cash in hand	250
	7,820		7,820

2021
Exp.
015

You are given the following additional information:



	April, 1, 2021	March, 31, 2022
	₹	₹
Subscription due ^{Receivable}	OPDs 150	CI-ODS 100
Amount due ^{payable} for printing etc.	OPDs 100	CI-ODS 80
Cheques <u>unpresented</u> being payment for repairs	300	260
Estimated value of machinery and equipment	Op 800	CI. 1,750
Interest not yet entered in the Pass book ^{Int Receivable A/c Dr}		CI. 20
^{Exp.} Bonus to Groundsman outstanding ^{TO Int. A/c}		CI. 300

*
* BRS

If start point
is Bal. as CB

For the year ended March 31, 2022, the honorarium to the Secretary and Treasurer are to be increased by a total of ₹ 200. Prepare the Income and Expenditure Account and Balance Sheet for period ending 31st March, 2022.



BS as on
01/04/21

WNI

BS as on
31/03/22

L		A	3580
Capital (Bal-fig)	3,080	M&E	800
Amt due for printing Honour ois	100 400	Sub-Due Cash in Hand	150 100
		Bal-ao per CB	
		Deposit A/c	2,230
		Current A/c	300

↑
600-300

L		A	
Capital Op.	3,080	Machinery & Equipment	1,750
+Surplus	<u>40</u>		
	3,120		
Tournament Fund	1,000		
Amt due for printing	80	Subscription due	100
Bonus ois	300	Int. Accrued	20
Honourarium ois	600	Cash in Hand	250
OID ois per CB	110	Bal-ao per CB	
	(260 - 150)	Deposit A/c	3,090

5210

5210



12EAC

To groundman Fee	150	By Bank Interest	50
To Bonus to groundman	300	By subscription	2,550
To Rent of ground	250	By Receipt from Tea	300
To cost of Teas	250	By contribution to fares	100
To Fares	400	By Net proceed from variety Entertainment	780
To Printing & office Exp.	260		
To Repairs	460		
To Honourarium	600		
To Depreciation	470		
To Surplus	40		
	3,780		3,780



Calculation of Income / Expense under Different Head

Particulars	Bank Int	Donation & subscription	Bonus to groundman	Printing & Office exp.	Repairs
R&P A/c	30	2,600	-	280	500
Add: Op. Adv	-	-	-	-	-
Add: Cl. O/s	20	100	300	80	(260)
Less: Cl. Adv	-	-	-	-	-
Less: Op. O/s	-	(150)	-	(100)	(300)
I2E	50	2,550	300	260	460

Honourarium 2020-21 → ₹ 400 → paid in 2021-22
200
600 → paid x

Honourarium
R2P A/c 400
Add:- Cl. O/s 600
less:- Op. O/s (400)
600



Calculation of Asset

Particulars	M & E					
Op. Bal.	800	} 2,220				
Add: Purchase (R&P)	1500					
Less: Sale (R&P)	(80)					
Less: Loss (I&E Dr.)	-					
Add: Profit (I&E Cr.)	-					
Less: Depn (I&E Dr.)	(470)					
Cl. Bal.	<u>1,750</u>					



Q. Smith Library Society showed the following position on 31st March, 2021:

Balance Sheet as on 31st March, 2021 *OP. Bal.*

Liabilities	₹	Assets	₹
Capital Fund	7,93,000	Electrical fittings	1,50,000
Expenses payable	<u>7,000</u>	Furniture	50,000
		Books	4,00,000
		Investment in securities	1,50,000
		Cash at bank	25,000
		Cash in hand	<u>25,000</u>
	<u>8,00,000</u>		<u>8,00,000</u>

Handwritten notes:
 } Fixed Asset (next to Electrical fittings, Furniture, Books)
 } REPAIR OP. Bal (next to Cash at bank, Cash in hand)
 → (arrow pointing to Investment in securities)
 → (arrow pointing from the bottom of the table to the text below)

The receipts and payment account for the year ended on 31st March, 2022 is given below:



	₹		₹
To Balance b/d		By Electric charges	7,200
Cash at bank 25,000		By Postage and stationary	5,000
Cash in hand <u>25,000</u>	50,000	By Telephone charges	5,000
To Entrance fee	30,000	By Books purchased Asset	60,000
To Membership subscription →	2,00,000	By Outstanding expenses	
To Sale proceeds of old papers	1,500	paid	7,000
To Hire of lecture hall	20,000	By Rent	88,000
To Interest on securities.	8,000	By Investment in securities →	40,000
(Recd.)		By Salaries	66,000
		By Balance c/d	
		Cash at bank	20,000
		Cash in hand } Cl. Bal.	11,300
	<u>3,09,500</u>		<u>3,09,500</u>



You are required to prepare income and expenditure account for the year ended 31st March, 2022 and a balance sheet as at 31^s, March, 2022 after making the following adjustments:

Membership subscription included ₹ 10,000 received in advance and 75% of the entrance fees is to be capitalized. **capital +**

Rent for ₹ 4,000 and salaries for ₹ 3,000 are outstanding. **Cl-01s**

Books are to be depreciated @ 10% including additions. Electrical fittings and furniture are also to be depreciated at the same 10% rate.

Interest on securities is to be calculated @ 5% p.a. including purchases made on 1.10.2021 for ₹ 40,000.

$$\begin{aligned} 150000 \times 5\% &= ₹ 7,500 \\ 40,000 \times 5\% \times \frac{6}{12} &= ₹ 1,000 \end{aligned}$$

8,500 → Receivable BSA 500
→ Recd 8000
TR E Cr.



Q. From the following balances and particulars of Republic College, prepare Income & Expenditure Account for the year ended March, 2022 and a Balance Sheet as on the date :

	₹	₹
Seminars & Conference Receipts <i>I&E Cr.</i>		4,80,000
Consultancy Receipts <i>I&E A/c Cr.</i>		1,28,000
Security Deposit - Students <i>BSL</i>		1,50,000
<u>Capital Fund</u> <i>BSL</i>		16,06,000
Research Fund <i>BSL</i>		8,00,000
Building Fund <i>BSL</i>		25,00,000
Provident Fund <i>BSL</i>		5,10,000
<u>Tuition Fee Received</u> <i>I&E Cr.</i>		8,00,000
Government Grants <i>I&E Cr.</i>		5,00,000



	₹	₹
Donations I2E A/c Cr.		50,000
Interest & Dividends on Investments I2E A/c Cr.		1,85,000
Hostel Room Rent I2E A/c Cr.		1,75,000
Mess Receipts (Net) I2E A/c Cr.		2,00,000
College Stores-Sales I2E A/c Cr.		<u>7,50,000</u>
Outstanding expenses BSL		2,25,000
Stock of-stores and Supplies (opening) ✓	3,00,000	
Purchases - Stores & Supplies ✓	8,00,000	
Salaries - Teaching I2E A/c Dr.	8,50,000	
Research I2E A/c Dr.	1,20,000	
Scholarships I2E A/c Dr.	80,000	
Students Welfare expenses I2E A/c Dr.	38,000	



	₹	₹
Repairs & Maintenance I2E A/c Dr.	1,12,000	
Games & Sports Expenses I2E A/c Dr.	50,000	
Misc. Expenses I2E A/c Dr.	65,000	
Research Fund Investments BSA	8,00,000	
Other Investments BSA	18,50,000	
Provident Fund Investment BSA	5,10,000	
Seminar & Conference Expenses I2E Dr.	4,50,000	
Consultancy Expenses I2E Dr.	28,000	
→ Land BSA	1,00,000	
Building BSA	16,00,000	
Plant and Machinery BSA	8,50,000	
Furniture and Fittings BSA	6,00,000	



	₹	₹
Motor Vehicle BSA	1,80,000	
Provision for Depreciation: → Asset cost		
Building		4,80,000
Plant & Equipment		5,10,000
Furniture & Fittings		3,36,000
Cash at Bank BSA	6,42,000	
Library BSA	3,60,000	
	1,03,85,000	1,03,85,000

prov {

↓
Agj. tak ka Depn
Prov.



Adjustments:

	₹
1) Materials & Supplies <u>consumed</u> : (From college <u>stores</u>)	₹3,00,000
Teaching	50,000
Research	1,50,000
Students Welfare	75,000
Games or Sports	25,000
2) Tuition fee <u>receivable</u> from Government for backward class Scholars CI-01s i.e CI-<u>Receivable</u> BSA	80,000
3) Stores selling prices are fixed to give a net profit of <u>10% on</u> <u>selling price</u>	
4) Depreciation is provided on <u>straight line</u> basis at the following rates:	



	₹
i. Building	5%
ii. Plant & Equipment	10%
iii. Furniture & Fixtures	10%
iv. Motor Vehicle	20%

	Bldg	P2m	furniture	motor vehicle	Dep'n Dr. To Prov
COA	16,00,000	8,50,000	6,00,000	1,80,000	
(-) Prov	<u>4,80,000</u>	<u>5,10,000</u>	✓ <u>3,36,000</u>	<u>—</u>	
WDV	11,20,000	3,40,000	2,64,000	1,80,000	



Depn Alc Dr. → IZE → ₹2,61,000

Depn → Building → ₹80,000
P2m → ₹85,000
furniture → ₹60,000
motor car → ₹36,000

₹2,61,000

New Prov. Bldg → $480000 + 80000 = 560000$

P2m → $510000 + 85000 = 595000$

furniture → $336000 + 60000 = 396000$

motor car → $0 + 36000 = 36000$



cost of good consumed = op-stock + Purchase (-) Cl-Stock

12E A/c Dr = 3,00,000 + 8,00,000

9,75,000 = 11,00,000 (-) Cl-Stock

∴ Cl-Stock = 11L - 9.75L
= 1,25,000

Cl-Stock

↓
Adj. NPO

✓ COGC (-)

BSA → 1,25,000

Cost	90	x
+ profit	10	
<hr/>	<hr/>	
Sale	100	₹ 7,50,000

∴ cost of good sold = $\frac{750000 \times 90}{100}$
[i.e. consumed]
i.e x = 6,75,000

3L Dr.

0.75 Cr.

2,25,000
Dr.

∴ Tot cost of good consumed = 675000 + 3,00,000
= 9,75,000



ICAI

3,00,000	
Sale	750,000
(-) Cost	<u>6,75,000</u>
	75,000
Net Dr. 2,25,000	

my method

cost of good consumed 9,75,000	
Store sale	7,50,000
Net Dr. 2,25,000	



Q. The Income and Expenditure Account of the Youth Club for the Year 2022 is as follows:

Expenditure <i>CY Exp</i>	₹	Income <i>CY Income</i>	₹
✓ To Salaries	4,750	By Subscription	7,500
✓ To General Expenses	500	By Entrance Fees	250
✓ To Audit Fee → unpaid C.O.S	250	By Contribution for	
✓ To Secretary's Honorarium	1,000	annual dinner	1,000
✓ To Stationery & Printing	450	By Annual Sport meet	
✓ To Annual Dinner Expenses	1,500	receipts	750
✓ To Interest & Bank Charges	150		
✓ To Depreciation	300		
✓ To Surplus	600		
	9,500		9,500



This account had been prepared after the following adjustments:

	₹
Subscription outstanding at the end of 2021 <i>Op. O/S</i>	600
Subscription received in advance on 31st December, 2021 <i>Op. Adv</i>	450
Subscription received in advance on 31st December, 2022 <i>Cl. Adv.</i>	270
Subscription outstanding on 31st December, 2022 <i>Cl. O/S</i>	750

Salaries Outstanding at the beginning and the end of 2022 were respectively ₹ ^{*Op O/S*}400 and ₹ ^{*Cl. O/S*}450. General Expenses include insurance prepaid to the extent of ₹ ^{*Cl. Adv.*}60. Audit fee for 2022 is as yet unpaid. During 2022 audit fee for 2021 was paid amounting to ₹ 200. → *Op. O/S*
R2P Cr.



The Club owned a freehold lease of ground valued at ₹ 10,000. The club had sports equipment on 1st January, ^{Op.}2022 valued at ₹ 2,600. At the end of the year, after depreciation, this equipment amounted to ₹ ^{Cl.}2,700. In 2021, the Club has raised a bank loan of ₹ ^{Op. Cl.}2,000. This was outstanding throughout 2022. On 31st December, 2022 cash in hand amounted to ₹ 1,600. ^{Cl-Bal.}

Required

Prepare the Receipts and Payments Account for 2022 and Balance Sheet as at the end of the year.



BS
31/12/21

BS
31/12/22

Capital (CBF)	11,540	ground	10,000
		sport equip	2,600
Adv-sub.	450	O/S sub	600
O/S salary	400	Cash in hand	1,390
O/S Audit fee	200		
Loan	2,000		
	14,590		14,590

Capital		ground	10,000
opening	11540	Sport equipment	2,700
+surplus	<u>600</u>		
	12,140		
Adv-subscription	270	O/S subscription	750
O/S salary	450	Prepaid gen. exp.	60
O/S Audit Fee	250		
Loan	2000		
		Cash in hand	1,600
	<u>15,110</u>		<u>15,110</u>



R2PAIC

To Bal b/d (Bal-fid)	1,390	By salary	4,700
To subscription	7,170	By general exp	560
To Entrance fees	250	By Honourarium	1,000
To annual Dinner	1,000	By stationery & printing	450
To sport meet	750	By Annual Dinner exp.	1,500
		By Int & Bank charges	150
		By Sport Equipment	400
		By Audit fees	200
		By Bal c/d	1,600
	10,560		10,560



Calculation of Income / Expense under Different Head

Particulars	Salary	general exp.	Subscription	Audit Fee	
R&P A/c (Bal-fig)	4,700	560	7,170	200	
Add: Op. Adv	—	—	450		
Add: Cl. O/s	450	—	750	250	
Less: Cl. Adv	—	60	270		
Less: Op. O/s	400	—	600	200	
I&E A/c	4,750	500	7,500	250	



Calculation of Asset

Particulars	Sport Equipment				
Op. Bal.	2,600				
Add: Purchase (R&P)	400				
Less: Sale (R&P)	—				
Less: Loss (I&E Dr.)	—				
Add: Profit (I&E Cr.)	—				
Less: Depn (I&E Dr.)	<u>(300)</u>				
Cl. Bal.	2,700				



THANK

YOU

