

is given.

Q.6 Smith Library Society showed the following position on 31st March 2010:

Balance sheet as on 31st March, 2010

Liabilities	₹	Assets	₹
Capital fund	7,93,000	Electrical Fittings	1,50,000
Expenses payable	7,000	Furniture	50,000
		Books	4,00,000
		Investment in Securities	1,50,000
		Cash at bank	25,000
		Cash in hand	25,000
	8,00,000		8,00,000

The Receipt and Payment Account for the year ended on 31st March, 2011 is given below

Particulars (Receipt)	₹	Particulars (Payment)	₹
To Balance b/f		By Electric charges	7,200
Cash at bank 25,000		By Postage and stationery	5,000
Cash in hand <u>25,000</u>	50,000	By Telephone charges	5,000
To Entrance Fees	30,000	By Books Purchased	60,000
To Membership Subscription	2,00,000	By Outstanding Expenses paid	7,000
To Sale proceeds of old papers	1,500	By Rent	88,000
To Hire of lecture hall	20,000	By Investment in securities	40,000
To Interest on securities	8,000	By Salaries	66,000
		By Bal. c/f. Cash at bank	20,000
		Cash in hand	11,300
	3,09,500		3,09,500

You are required to prepare an Income and Expenditure Account for the year ended 31st March, 2011 and a Balance Sheet as at 31st March, 2011 after making the following adjustments:

- (a) Membership Subscription included ₹ 10,000 received in advance.
- (b) Provide for outstanding rent ₹ 4,000 and salaries ₹ 3,000.
- (c) Books to be depreciated @10% including additions. Electrical Fittings and Furniture's are also to be depreciated at the same rate.
- (d) 75% of Entrance Fees is to be capitalised.
- (e) Interest on Securities is to be calculated @ 5% p.a. including purchases made on 1.10.2010 for ₹ 40,000.

Q.13 The following is the Receipt and Payment Account of Park View Club in respect of the year ended 31st March, 2011:

Receipts	₹	Payments	₹
To Balance b/d	1,02,500	By Salaries	2,08,000
To subscriptions:		By Stationery	40,000
2009-10 4,500		By Rent	60,000
2010-11 2,11,000		By Telephone Exp.	10,000
2011-12 <u>7,500</u>	2,23,000	By Investment	1,25,000
To Profit on sports meet	1,55,000	By Sundry Expenses	92,500
To Income from investments	1,00,000	By Balance c/d	45,000
	5,80,500		5,80,500

Additional Information:

- (i) There are 450 members each paying an annual subscription of ₹ 500. On 1st April, 2010, outstanding subscription was ₹ 5,000.
- (ii) There was an outstanding telephone bill for ₹ 3,500 on 31st March, 2011.
- (iii) Outstanding sundry expenses as on 31st March, 2010 totalled ₹ 7,000.
- (iv) Stock of stationery:
 - On 31st March, 2010 ₹ 5,000
 - On 31st March, 2011 ₹ 9,000
- (v) On 31st March, 2010 building stood in the books at ₹ 10,00,000 and it was subject to depreciation @5% per annum.
- (vi) Investment on 31st March, 2010 stood at ₹ 20,00,000.
- (vii) On 31st March, 2011, income accrued on the investments purchased during the year amounted to ₹ 3,750.

Prepare an Income and Expenditure Account for the year ended 31st March, 2011 and the Balance Sheet as at that date.

Q.17 The Receipts and Payments Account of Trustwell Club prepared on 31st March, 2018 is as follows:

Dr.

Receipts and Payments Account

Cr.

Receipts	₹	Payments	₹
To Balance b/d	450	By Expenses (Including payment for Sports Material ₹ 2,700)	6,300
To Annual Income from Subscription	4,590		
Add: Outstanding of last year received this year	<u>180</u> 4,770	By Loss on Sale of Furniture (Cost price ₹ 450)	180
Less: Prepaid of last Year	<u>90</u>	By Balance c/d	90,450
To Other fees	1,800		
To Donation for Building	90,000		
	<u>96,930</u>		<u>96,930</u>

Additional Information:

Trustwell Club had balances as on 1.4.2017:-

Furniture ₹ 1,800; Investment at 5% ₹ 27,000; Sports Materials ₹ 6,660;

Balance as on 31.3.2018: Subscription Receivable ₹ 270; Subscription received in advance ₹ 90; Stock of Sports Material ₹ 1,800.

Do you agree with above Receipts and Payments Account? If not, prepare correct Receipt and Payments Account and Income and Expenditure Account for the year ended 31st March, 2018 and Balance Sheet as on that date.

Q.23 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 Bank	1,10,000	??
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

[May 2019, 10 Marks]

his life policies. His accounts for the year were kept on a cash basis and the following is his summarized cash account:

Receipts	₹	Payments	₹
Own Capital	2,00,000	Medicines Purchased	2,45,000
Loan	3,00,000	Surgical Equipment	2,50,000
Prescription Fees	6,60,000	Motor Car	3,20,000
Visiting Fees	2,50,000	Motor Car Expenses	1,20,000
Lecture Fees	24,000	Wages and Salaries	1,05,000
Pension Received	3,00,000	Rent of Clinic	60,000
		General Charges	49,000
		Household Expenses	1,80,000
		Household Furniture	25,000
		Expenses on Daughter's Marriage	2,15,000
		Interest on Loan	36,000
		Balance at Bank	1,10,000
		Cash in Hand	19,000
	17,34,000		17,34,000

1/3rd of the motor car expenses may be treated as applicable to the private use of car and ₹ 30,000 of salaries are in respect of domestic servants. The stock of medicines in hand on 31st March, 2020 was valued at ₹ 95,000. You are required to prepare his private practice income and expenditure account and capital account for the year ended 31st March, 2020. Ignore depreciation on fixed assets.

[Jan. 2021, 10 Marks]

Solution :

Income and Expenditure a/c for the year ended 31st March, 2020

Particulars	₹	Particulars	₹
To Medicines consumed		By Prescription fees	6,60,000
Purchases 2,45,000		By Visiting fees	2,50,000
Less: Stock on (95,000)	1,50,000	By Fees from lectures	24,000
31.3.2020			
To Motor car expenses	80,000		
(1,20,000 × 2/3)			
To Wages and salaries	75,000		
(1,05,000-30,000)			
To Rent of clinic	60,000		
To General charges	49,000		
To Interest on loan	36,000		
To Net Income from practice	4,84,000		
Total	9,34,000	Total	9,34,000

nce at end	55,000	By Outstanding subscrip- tion at end	72,000
Total	7,77,600	Total	7,77,600

Q.28 Summary of Receipts and Payments of AMA Society for the year ended 31st March, 2021 are as follows:

Receipts	Amount	Payments	Amount
Subscription Received	5,00,000	Payment for Medicine Supply	3,00,000
Donation Raised for meeting revenue expenditure	1,50,000	Honorarium to Doctors	1,00,000
Interest on Investments @ 9% p.a.	90,000	Salaries	2,80,000
Charity Show Collection	1,25,000	Sundry Expenses	10,000
		Equipment Purchase	1,50,000
		Charity Show Expenses	15,000

Additional Information:

Particulars	01.04.2020	31.03.2021
Subscription due	15,000	22,000
Subscription received in advance	12,000	7,000
Stock of medicine	1,00,000	1,50,000

Particulars	01.04.2020	31.03.2021
Amount due for medicine supply.	90,000	1,30,000
Value of equipment	2,10,000	3,00,000
Value of building	5,00,000	4,80,000
Cash Balance	80,000	90,000
Opening Balance of Capital Fund	18,03,000	

You are required to prepare :

(i) Income and Expenditure Account for the year ended 31st March, 2021.

(ii) Balance Sheet as on 31st March, 2021 [July 2021, 10 Marks]

Solution :

**In the Books of AMA Society
Income & Expenditure A/c
for the year ending 31st March, 2021**

Expenditure	Amount ₹	Income	Amount ₹
To Medicine consumed		By Subscription 5,00,000	
Op. Stock 1,00,000		Less: Op. outstanding (15,000)	
Add: Purchases (1) 3,40,000		Add: Cl. outstanding 22,000	
Less: Cl. Stock (1,50,000)	2,90,000	Add: Op. advance 12,000	
To Honorarium	1,00,000	Less: Cl. advance (7,000)	5,12,000
To Salaries	2,80,000		
To Sundry Expenses	10,000	By Donation	1,50,000
To Depreciation:		By Interest on Investments	90,000
Equipment (2) 60000		By Charity Show 125000	
Building 20000	80,000	Collection	
		Less: Charity Show exp. (15000)	1,10,000
To Surplus	1,02,000		
Total	8,62,000	Total	8,62,000

Balance Sheet as on 31st March, 2021

Liabilities	₹	Assets	₹
Capital Fund 18,03,000		Equipment 2,10,000	
Add: Surplus 1,02,000	19,05,000	Add: Purchases 1,50,000	
Advance Subscription	7,000		3,60,000
Due for medicine supply	1,30,000	Less: Dep. (60,000)	3,00,000
		Investment (3)	10,00,000
		Outstanding Subscription	22,000
		Stock of Medicine	1,50,000

Liabilities	₹	Assets	₹
		Building 5,00,000	
		Less: Dep. (20,000)	4,80,000
		Cash	90,000
Total	20,42,000	Total	20,42,000

Working Note:-

1. Creditors for Medicine Supply a/c

Particulars	₹	Particulars	₹
To Bank a/c	3,00,000	By Balance b/d	90,000
To Balance c/d	1,30,000	By Purchase of Medicine (Bal. fig.)	3,40,000
Total	4,30,000	Total	4,30,000

2. Depreciation on Equipment:-

Value at beginning

Add: Purchase during the year

Less: Value at end

Depreciation

₹
2,10,000

1,50,000

3,60,000

(3,00,000)

60,000

3. Value of Investment:- $90,000 \times \frac{100}{9} = ₹10,00,000$

Receipts & Payments Account
For the year ending on 31st March, 2013

Receipts	₹	Payments	₹
To Balance b/d	42,000	By Secretary Salary	10,000
To Entrance Fees 2011-12	10,000	By Printing & Stationery	26,000
To Entrance Fees 2012-13	1,00,000	By Advertising	16,000
To Subscription 2011-12	6,000	By Fire Insurance	12,000
To Subscription 2012-13	1,50,000	By 12% Investments	
To Subscription 2013-14	4,000	(Purchased on 01-10-2012)	2,00,000
To Rent Received	24,000	By Furniture	20,000
To Interest Received	6,000	By Balance c/d	58,000
	3,42,000		3,42,000

Income & Expenditure Account
For the year ending on 31st March, 2013

Expenditure	₹	Income	₹
To Secretary Salary	15,000	By Entrance Fees	1,05,000
To Printing & Stationery	22,000	By Subscription	1,56,000
To Advertising	16,000	By Rent	28,000
To Audit Fees	5,000	By Interest on Investments	12,000
To Fire Insurance	10,000		
To Depreciation;			
Sports Equipments	90,000		
Furniture	5,000		
To Surplus	1,38,000		
	3,01,000		3,01,000

Additional Information:

The assets and liabilities as on 31st March, 2012 include club Grounds & Pavilion ₹ 4,40,000, Sports Equipments ₹ 2,50,000, Furniture & Fixtures ₹ 40,000, Subscription in Arrear ₹ 8,000, Subscription received in advance ₹ 2,000 and Creditors for Printing & Stationery ₹ 5,000.

You are required to prepare the Balance Sheet of the Club as on 31st March, 2013.