

Sampurna Fastrack September 2024

Accounting

Non-Profit Organisation

DPP-01

Q1 State with Reasons , whether the following statements are True or False :

The Receipts and payment account for a non-profit organization follows the accrual concept of accounting.

Q2 Both the revenue and capital nature transactions are recorded in the Income and expenditure account.

Q3 Sale of grass by a sports club is to be treated as sale of an asset.

Q4 Subscriptions outstanding for the current year are disclosed under the Fixed assets side of the Balance sheet.

Q5 Receipts & payments account gives the details about the expenses outstanding for year.

Q6 Adjustments in the form of additional information shall be adjusted in the final accounts of an Nonprofit organisation only in one place.

Q7 Tournament expenses incurred are more than the Tournament fund, then the excess to be shown as an asset in the closing Balance sheet.

Q8 For Non-profit organisation, Excess of income over expenditure in the Income and Expenditure account is termed as profit.

Q9 Surplus of non-profit organizations is distributed among its members.

Q10 Tournament fund, building fund, library fund is based on the fund based accounting.

Q11 Subscription fees refers to the one-time fees paid by the memberships to get admission to

the benefits of the club.

Q12 Token payment made to a person, who voluntarily undertakes a service which would normally be paid in case of profitable organization is termed as Honorarium.

Q13 An Insurance company is an example of non-profit organization.

Q14 Part amount of entrance fees which is to be capitalized shall be disclosed in the income and expenditure account.

Q15 Both the income and expenditure of the current and the previous year are recorded in the Income and Expenditure account.

Q16 Amount received as donation by Non-profit organisation under the will of a deceased person is termed as legacy.

Q17 Where a Non-profit organisation has a separate trading activity, the profit/loss from the trading account shall be transferred to Income and Expenditure Account at the time of consolidation.

Q18 Not for profit concerns concentrate their efforts to maximize the profit earning avenues.

Q19 All the receipts are of revenue nature in case of Non-profit organisation.

Q20 There is opening balance of Income and expenditure account.

Q21 Receipts & Payments Account is a summary of all capital receipts & payments.

Q22



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If there appears a sports fund, the expenses incurred on sports activities will be taken to income & expenditure account.

Q23 Receipts & Payments Account highlights total income and expenditure.

Q24 Only revenue items are disclosed in Income & Expenditure Account.

Q25 Net income in case of persons practicing vocation is determined by preparing profit and loss account.

Q26 In case a Sports Fund is kept, expenses on account of sports events should be charged to Sports Fund.

Q27 Laboratory & library Deposits taken from the students in case of an Educational Institution are shown on the liabilities side of the Balance Sheet.

Q28 Fees received for Life Membership is a revenue receipt as it is of recurring nature.

Q29 Subscriptions received for the current year shall be shown in the balance sheet as a current asset.

Q30 In Not for Profit (NPO) organizations, the excess of total assets over total outside liabilities is known as Capital Fund.

Q31 Both revenue and capital nature transactions are recorded in the Receipts and Payments Account.

Q32 Subjective :

During 2023, subscription received in cash is ₹ 42,000. It includes ₹ 1,600 for 2022 and ₹ 600 for 2024. Also ₹ 3,000 has still to be received for 2023. Calculate the amount to be credited to Income and Expenditure Account in respect of subscription.

Q33 During the year ended 31st March, 2023, the subscriptions received by the Jaipur Literary

Society were ₹ 4,50,000. These subscriptions include ₹ 20,000 received for the year ended 31st March, 2022. On 31st March, 2023, subscriptions due but not received were ₹ 15,000. Advance subscription received for the year ending 31st March 2023 but pertaining to year 2024 amounted to ₹ 26,000. The Subscriptions received in advance for the year ending 31st March, 2022 includes ₹ 18,000 pertaining to year 2022-23.

Show the subscription account in book of the society.

Q34 From the following information, calculate amount of subscriptions outstanding for the year ended 31st March, 2023

A club has 350 members each paying an annual subscription of ₹ 1,050. The Receipts and Payments Account for the year showed a sum of ₹ 4,10,000 received as subscriptions.

The following additional information is provided:

Subscriptions Outstanding on 31st March, 2022 – ₹ 45,000

Subscriptions Received in Advance on 31st March, 2023 – ₹ 62,000

Subscriptions Received in Advance on 31st March, 2022 – ₹ 30,000 .

Q35 Omshanti Club has 500 members with annual fee of ₹ 1,000 per member. At the end of the accounting year, accountant noticed that 40 members have not paid annual fee and 70 members had paid fee in advance. Help the accountant to compute cash receipts of annual fee for the year.

Q36 During the year ended 31st March, 2023, Sachin Cricket Club received subscriptions as follows

For year	
ending 31st	12,0
March,	00
2022	



For year ending 31st March, 2023	6,15, 000
For year ending 31st March, 2024	18,0 00
Total	6,45 ,00 0

There are 500 members and annual subscription is ₹ 1,500 per member. On 31st March, 2023, a sum of ₹ 15,000 was still in arrears for subscriptions for the year ended 31st March, 2022.

Ascertain the amount of subscriptions that will appear on the credit side of Income and Expenditure Account for the year ended 31st March, 2023. Also show how the items would appear in the Balance Sheet as on 31st March, 2022 and the Balance Sheet as on 31st March, 2023.

- Q37** From the following extract of Receipts and Payments Account and the additional information, you are required to calculate the Income from Subscription for the year ending March 31, 2023 and show them in the Income & Expenditure Account, and the Balance Sheet of a Club

An extract of Receipts and Payments Account for the year ended 31st March, 2023

Receipts	₹	Pay men ts	₹
To Subscr iption			
2021- 22	4,0 00		

2022- 23	20,0 00			
2023- 24	5,0 00	29,0 00		

Information:

Subscription outstanding 31.03.2022	on	5,0 00
Subscription outstanding 31.03.2023	on	4,0 00
Subscription received in advance on 31.03.2022 for 2022-23	on	5,0 00

- Q38** Suppose salaries paid during 2022-23 were ₹ 23,000. The following further information is available:

Salaries unpaid on 31st March 2022	1,400
Salaries prepaid on 31st March 2022	400
Salaries unpaid on 31st March 2023	1,800
Salaries prepaid on 31st March 2023	600

Calculate the amount to be debited to Income and expenditure account in respect of salaries and also show necessary ledger accounts. (In other words, how will you disclose in financial statements of NPO.

- Q39** From the following information of a club show the amounts of match expenses and match fund in the appropriate Financial Statements of the club for the year ended on 31st March, 2023:

Details	Amou nt
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Match expenses paid during the year ended 31st March 2023	1,10,000
Match fund as on 01.04.2022	30,000
Donations for Match fund (received during the year)	55,000
Proceeds from the sale of the match tickets (during the year)	20,000

Q40 Following is the Receipts and Payments Account of New bird Forty Club for the year ended 31st March, 2023:

Receipts & Payments Account for the year ending on 31st March, 2023

Receipts	₹	Payments	₹
To Balance b/d	2,50,000	By Salaries & Wages	1,65,000
To Subscription		By Office Expenses	35,000
2021-2022	65,000	By Sports Equipment	3,42,000
2022-2023	3,55,000	By Telephone charges	28,000
To Donations	55,000	By Electricity charges	32,000
To Entrance Fees	85,000	By Travelling & conveyance	65,000
		By Balance c/d	1,43,000
	8,10,000		8,10,000

Additional information:

1. Outstanding Subscriptions for the year ended 31st March, 2023 – 55,000.
2. Outstanding Salaries & Wages for the year ended on 31st March 2023 – 40,000
3. Depreciate Sports Equipments by 25% for the year ended on 31st March 2023.
4. Capitalize 50% of the entrance fees

Prepare Income and Expenditure Account of the club from the above particulars for the year ended on 31st March 2023.

Q41 The Sportwriters Club gives the following Receipts & Payments Account for year ended March 31, 2023:

Receipts	₹	Payments	₹
To Balance b/d	4,820	By Salaries	12,000
To Subscriptions	28,600	By Rent and electricity	7,220
To Miscellaneous income	700	By Library books	1,000
To Interest on Fixed deposit	2,000	By Magazines & newspapers	2,172
		By Sundry expenses	10,278
		By Sports equipments	1,000
		By Balance c/d	2,450
	36,120		36,120



Figures of other assets and liabilities are furnished as follows:

	31st March, 2022	31st March, 2023
Salaries outstanding	710	170
Outstanding rent & electricity	864	973
Outstanding for magazines and newspapers	226	340
Fixed Deposit (10%) with bank	20,000	20,000
Interest accrued thereon	500	500
Subscription receivable	1,263	1,575
Prepaid expenses	417	620
Furniture	9,600	
Sports equipments	7,200	
Library books	5,000	

The closing values of furniture and sports equipments are to be determined after charging depreciation at 10% and 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, 2023 was ₹ 5,250. From the above information you are required to prepare:

1. The Club's Balance Sheet as at March 31, 2022;
2. The Club's Income and Expenditure Account for the year ended March 31, 2023.
3. The Club's Closing Balance Sheet as at March 31, 2023.

Q42 The following is the Receipt and Payment Account of Park View Club in respect of the year ended 31st March, 2023.

Receipts	₹	Payments	₹
To Balance b/d	1,02,500	By Salaries	2,08,000
To Subscriptions		By Stationery	40,000
2021-22 4,500		By Rent	60,000
2022-23 2,11,000		By Telephone expenses	10,000
2023-24 7,500	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:

1. There are 450 members each paying an annual subscription of ₹ 500. On 1st April, 2022 outstanding subscription was ₹ 5,000.
2. There was an outstanding telephone bill for ₹ 3,500 on 31st March, 2023.
3. Outstanding sundry expenses as on 31st March, 2022 totalled ₹ 7,000.
4. Stock of stationery: On 31st March, 2022 ₹ 5,000 On 31st March, 2023 ₹ 9,000
5. On 31st Mar, 2022 building stood in the books at ₹ 10,00,000 & was subject to depreciation@5% p.a
6. Investment on 31st March, 2022 stood at ₹ 20,00,000.
7. On 31st March, 2023, income accrued on investments purchased during year amounted to ₹ 3,750.

Prepare Income & Expenditure A/c for the year ended 31st March, 2023 & Balance Sheet as at that date.



Q43 Summary of receipts & payments of AMA Society for year ended 31st March 2023 are as follows:

Receipts	₹	Payments	₹
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	01.04.2022	31.03.2023
Subscription due	15,000	22,000
Subscription received in advance	12,000	7,000
Stock of medicine	1,00,000	1,50,000
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

1. Income and Expenditure Account for the year ended 31.03.2023
2. Balance sheet as on 31.03.2023.

Q44 Following is the Receipts and Payments account of Pune Medical Aid Society for the year ended 31-12-2022.

Receipts and Payments Account for the year ended 31-12-2022

Receipts	Amount ₹	Payments	Amount ₹
To Opening cash in hand	12,000	By Medicine supply	35,000
To Subscription	65,000	By Honorarium to Doctors	15,000
To Donations	25,000	By Salaries	36,000
To Interest on Investment (10%)	10,000	By Sundry expenses.	950
To Charity show collection	16,500	By Purchase of Medical equipment	25,000
		By Charity show expenses	2,750
		By Closing Cash in hand	13,800
	1,28,500		1,28,500



The following is the additional information provided.

	01-01-2022	31-12-2022
	Amount ₹	Amount ₹
Subscription due	2,500	3,100
Subscription received in advance	1,800	1,400
Stock of medicine	12,500	17,250
Amount due for medicine supply	12,000	16,500
Value of equipment	21,500	37,200
Value of building	65,000	61,750

You are required to prepare Income and Expenditure account, and Balance sheet as on 31-12-2022. **(15 Marks)**

Q45 Vijya Club showed the following position on 31st March, 2022:

Balance Sheet as on 31st March, 2022

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 receipts and payment account for the year ended on 31st March, 2023 is given below:

Receipts	₹	Payments	₹
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To Balance b/d		By Electric charges	7,200
Cash at bank 25,000		By Postage and stationary	5,000
Cash in hand 25,000	50,000	By Telephone charges	5,000
To Entrance fee	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 Balance c/d	
		Cash at bank 20,000	
		Cash in hand 11,300	31,300
	3,09,500		3,09,500

You are required to prepare income and expenditure account for the year ended 31st March, 2023 and a balance sheet as at 31st, March, 2023 after making the following adjustments:

Membership subscription included ₹ 10,000 received in advance.



Provide for outstanding rent ₹ 4,000 and salaries ₹ 3,000.

Books to be depreciated @ 10% including additions. Electrical fittings and furniture are also to be depreciated at the same rate. 75% of the entrance fees is to be capitalized.

Interest on securities is to be calculated @ 5% p.a. including purchases made on 1.10.2022 for ₹ 40,000 .

Q46 Jodhpur Club furnishes you the Receipts and Payments Account for the year ended 31.03.2023.

Receipts	₹	Payments	₹
Cash in hand (01.04.2022)	40,000	Salary	20,000
Cash at Bank (01.04.2022)	1,00,000	Repair Expenses	5,000
Donations	50,000	Furniture	60,000
Subscriptions	1,20,000	Investments	60,000
Entrance fee	10,000	Misc. Expenses	5,000
Interest on investments	1,000	Insurance premium	2,000
Interest from banks	4,000	Billiard table & other sports items	80,000
Sale of old newspaper	1,500	Stationary expenses	1,500
Sale of drama tickets	10,500	Drama expenses	5,000
		Cash in hand (31.03.2023)	26,500
		Cash at Bank (31.03.2023)	72,000
	3,37,000		3,37,000

Additional information:

1. Subscriptions in arrear for 2022-23 ₹ 9,000 & subscription in advance for year 2023-24 ₹ 3,500.
2. ₹ 400 was the insurance premium outstanding as on 31.03.2023.
3. Miscellaneous expenses prepaid ₹ 900.
4. 50% of donation is to be capitalized.
5. Entrance fees to be treated as revenue income.
6. 8% interest has accrued on investments for five months.
7. Billiards table & other sports equipments costing ₹ 3,00,000 were purchased in financial year 2021-22 & of which ₹ 80,000 was not paid 31.03.2022. There is no charge for Depreciation to be considered.

You are required to prepare Income and Expenditure Account for the year ended 31.03.2023 and Balance Sheet of the Club as at 31.03.2023.

Q47 You are provided with the followings:

Balance Sheet as on 31st March, 2022

Liabilities	₹	Assets	₹
Capital Fund	1,06,200	Building	1,50,000
Subscription received in Advance	6,000	Outstanding Subscription	3,800
Outstanding Expenses	14,000	Outstanding Locker Rent	2,400
Loan	40,000	Cash in Hand	20,000
Sundry Creditors	10,000		
	1,76,200		1,76,200



Receipts & Payments Account for the year ended on 31st March, 2023

Receipts	₹	Payments	₹
To Balance b/d		By Expenses	
Cash in Hand	20,000	For 2022	
		12,000	
To Subscriptions		For 2023	32,000
		20,000	
For 2022		By Land	40,000
2,000			
For 2023		By Interest	4,000
21,000			
For 2024	24,000	By Miscellaneous Expenses	4,700
1,000			
To Entrance fees	38,000	By Balance c/d	
To Locker Rent	7,000	Cash in Hand	18,300
To Sale Proceeds of old newspapers	1,000		
To Miscellaneous Income	9,000		
	99,000		99,000

You are required to prepare Income & Expenditure A/c for the year ended 31st March, 2023 & Balance Sheet as at 31st March 2023 (Workings should form part of your answer).

Q48 The following is the Receipts and payments account of Rotary Club for the year ended on 31st March, 2023.

Receipts	₹	Payments	₹
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To balance b/d	8,450	By Salaries and wages	12,250
To Subscription	23,000	By Supply of refreshment	18,250
To Sale of refreshments	22,000	By Sports equipment	27,500
To Entrance fees	26,000	By Telephone Charges	2,800
To interest on investments @ 7%	4,550	By Electricity charges	15,600
		By Honorarium charges	6,500
		By balance c/d	1,100
	84,000		84,000

Additional information:

1. Following are the assets and liabilities on 31st March, 2022:

Assets- Sports equipment- ₹ 32,000; Subscription in arrears- ₹ 7,600; Furniture- ₹ 12,480

Liabilities- Outstanding Electricity charges- ₹ 5,400; Subscription in advance- ₹ 6,250

1. Following are the assets and liabilities on 31st March, 2023-

Assets- Sports equipment- ₹ 50,500; Subscription in arrears- ₹ 5,200; Furniture- ₹ 11,180

Liabilities- Outstanding Electricity charges- ₹ 3,800; Subscription in advance- ₹ 4,850

- 50% of the entrance fees to be capitalized.
- Interest on the investments is being received in full, and the investments have been made on 1.4.2021



You are required to prepare Income and Expenditure account and the Closing balance sheet as of 31st March 2023 in the books of Rotary Club.

- Q49** The Receipts & Payments for the Swaraj Club for the year ended 31st March, 2023 were: Entrance Fees ₹ 300, Membership Fees ₹ 3,000, Donation for Club Pavilion ₹ 10,000, Foodstuff Sales ₹ 1,200, Salaries & wages ₹ 1,200, Purchase of Foodstuff ₹ 800, Construction of Club Pavilion ₹ 11,000, General Expenses ₹ 600, Rent & Taxes ₹ 400, Bank Charges ₹ 160. Cash in hand–April 1st ₹ 200, March 31st ₹ 350. Cash in Bank–April 1st ₹ 400; March 31st ₹ 590. You are required to prepare Receipts & Payments A/c.

- Q50** From the following Income and Expenditure account and the Balance sheet of a club, prepare its Receipts and Payments Account and subscription account, for the year ended 31st March 2023:
Income & Expenditure Account for the year 2022-23

Particulars	₹	Particulars	₹
To Upkeep of ground	11,000	By Subscriptions	19,052
To Printing	1,100	By Sale of Newspapers (Old)	286
To Salaries	11,100	By Lectures (Fee)	1,650
To Depreciation on furniture	1,100	By Entrance Fee	2,145
To Rent	1,660	By Misc. Income	440
		By Deficit	2,387
	25,960		25,960

Balance sheet as at 31st March 2023

Liabilities		₹	Assets	₹
Subscription in advance (2023-24)		110	Subscription (outstanding) (2022-2023)	770
Prize fund:			Furniture	9,900
Opening balance	27,500		Ground and Building	51,700
Add: Interest	1,100		Prize Fund Investment	22,000
	28,600		Cash in Hand	2,530
Less: Prizes given	(2,200)	26,400		
General Fund:				
Opening balance	62,062			
Less: Deficit	(2,387)			
	59,675			
Add: Entrance Fee	715	60,390		
		86,900		86,900

The following adjustments have been made in the above accounts:

1. Upkeep of ground ₹ 660 and printing ₹ 264 relating to 2021-22 were paid in 2022-23
2. One fourth of entrance fee has been capitalized by transfer to General Fund
3. Subscription outstanding in 2021-22 was ₹ 880 and for 2022-23 ₹ 770.
4. Subscription received in advance in 2021-22 was ₹ 220 & in 2022-23 for 2023-24 was 110
5. Furniture was purchased during the year.

- Q51** Income & Expenditure Account for year ended 31st March, 2023 of Asia Club is given below:

Expenditure	₹	Income	₹
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To Salaries & wages	47,500	By Subscription	75,000
To Miscellaneous expenses	5,000	By Entrance fee	2,500
To Audit fee	2,500	By Contribution for annual day (After deducting expenses ₹ 7,500)	7,500
To Executive's honorarium	10,000		
To Sports day expenses	5,000		
To Printing & stationary	4,500		
To Interest on bank loan	1,500		
To Depreciation on sports equipment	3,000		
To Excess of income over expenditure	6,000		
	85,000		85,000

Following additional information are also available:

	31.03.2022	31.03.2023
Subscription received in advance	4,500	2,700
Subscription outstanding	6,000	7,500
Salaries outstanding	4,000	4,500
Sports equipment (After deducting depreciation)	26,000	27,000
Cash in hand on 31-3-23 was ₹ 16,000.		

The club took a 5% loan of ₹ 30,000 from a bank during 2021-22 for which interest was not paid in the financial year 2022-23.

Prepare Receipts and Payments account of Asia Club for the year ending 31st March 2023.

Q52 The Income and Expenditure Account of the Women Club for the year ended on December 31, 2023 is as follows:

To Salaries	47,500	By Subscription	75,000
To General Expenses	5,000	By Entrance Fees	2,500
To Audit Fee	2,500	By Contribution for annual dinner	10,000
To Secretary's Honorarium	10,000	By Annual Sports Meet Receipts	7,500
To Stationery & Printing	4,500		
To Annual Dinner Expenses	15,000		
To Interest & Bank Charges	1,500		
To Depreciation	3,000		
To Surplus	6,000		
	95,000		95,000

This account had been prepared after the following adjustments:

Subscription outstanding at the end of 2022	6,000
Subscription received in Advance on 31st December, 2022	4,500



Subscription received in advance on 31st December, 2023	2,700
Subscription outstanding on 31st Dec., 2023	7,500

Salaries Outstanding at the beginning and the end of 2023 were respectively ₹ 4,000 and ₹ 4,500. General Expenses include insurance prepaid to the extent of ₹ 600. Audit fee for the year 2023 is as yet unpaid. During 2023 audit fee for 2022 was paid amounting to ₹ 2,000.

The Club owned a freehold lease of ground valued at ₹ 1,00,000. The club had sports equipment on 1st January, 2023 valued at ₹ 26,000. At the end of the year, after depreciation, this equipment amounted to ₹ 27,000. In 2022, the Club has raised a bank loan of ₹ 20,000. This was outstanding throughout 2023. On 31st December, 2023 cash in hand amounting to ₹ 16,000.

You are required to:

Prepare the Receipts and Payments Account for the year ended on December 31, 2023 and Balance Sheet as on that date.

Q53 The Income and Expenditure Account of the Young Boys Club for the year 2022 is as follows:

Expenditure	Amount (₹)	Income	Amount (₹)
To Salaries	3,750	By Subscription	8,500
To General Expenses	1,500	By Entrance Fees	250
To Audit fee	250	By Contribution for Annual Dinner	1,000
To Secretary's Honorarium	1,000		
To Stationery and Printing	450	By Annual Sports meet receipts	750

To Annual Dinner expenses	1,500		
To Interest and Bank Charges	150		
To Depreciation	400		
To Surplus	1,500		
	10,500		10,500

This Account has been prepared after the following adjustments:

	Amount (₹)
Subscription outstanding on 31st December, 2021	700
Subscription received in advance on 31st December, 2021	550
Subscription received in advance on 31st December, 2022	370
Subscription outstanding on 31st December, 2022	750

Salaries outstanding at the beginning and at the end of 2022 were respectively ₹ 600 and ₹ 450. General Expense include insurance prepaid to the extent of ₹ 150. Audit fee for 2022 is still unpaid. During 2022 audit fee for 2021 was paid amounting to ₹ 200.

The club owned a freehold lease of ground valued at ₹ 20,000. The club had sports equipment on 1st January, 2022 valued at ₹ 2600. At the end of the year, after depreciation, the balance of equipment amounted to, 3,600. In 2021, the club raised a bank loan of ₹ 5,000, This was outstanding throughout 2022. On 31st December, 2022 cash in hand amounted to ₹ 1600.



You are required to prepare:

1. Receipts and Payments Account for 2022
2. Balance Sheet as on 31st December, 2022
3. Balance Sheet as on 31st December, 2021.

Q54 From the following Income & Expenditure A/c of Premium Sports Club for the year ended 31st March, 2023, prepare Receipts & Payment A/c for the year ended 31st March, 2023 and Balance Sheet as on that date:

Expenditure	₹	Income	₹
To Salaries	1,18,800	By Subscriptions	4,20,000
To Rent	2,16,000	By Entrance Fee	1,20,000
To Printing & Stationery	28,000	By Profit on sale of Sports Material	5,500
To Postage & Telephone	41,600	By Interest on 8% Government bonds	12,000
To Membership Fee	3,200	By Sale of Old Newspaper	11,600
To Electricity Charges	38,500		
To Garden Upkeep	19,300		
To Sports Material Utilized	62,800		
To Repairs & Maintenance	18,700		
To Depreciation	13,000		
To Miscellaneous Expenses	5,700		

To Surplus carried to Capital Fund	3,500		
	5,69,100		5,69,100

The following additional information is provided to you:

	Balances as on 01.04.2022	Balances as on 31.03.2023
Fixed Assets	2,40,000	-
Bank Balance	8,300	-
Stock of Sports Material	43,450	35,670
Outstanding Subscription	10,200	5,700
Subscription received in advance	2,400	4,900
8% Government Bonds	1,50,000	1,50,000
Outstanding Salaries	16,000	14,300
Outstanding Rent	21,000	15,000
Advance for Stationery	1,350	1,550
Outstanding Repairs & Maintenance	1,200	Nil
Creditors for purchase of Sports Material	3,400	4,200

1. Some of Fixed Assets were purchased on 01.10.2022 and depreciation is to be charged @ 5% p.a.
2. Sports Material worth ₹ 72,000 was purchased on credit during the year.
3. The Club became member of State Table Tennis Association on 01.01.2023 when it paid fee up to 31.12.2023.



4. 50% of Entrance Fee is to be capitalized.
5. Interest on 8% Government Bonds was received for two quarters only.
6. A Fixed Deposit of ₹ 80,000 was made on 31st March, 2023.

Q55 From the following Income and Expenditure Account and additional information of ATK Club, prepare Receipts and Payments Accounts and Balance Sheet of the club as on 31st March, 2023. Income and Expenditure Account for the year ending 31st March, 2023

Expenditure	₹	Income	₹
To Salaries	4,80,000	By Subscription	6,80,000
To Printing and Stationery	24,000	By Entrance Fees	16,000
To Postage	2,000	By Misc. Income	1,44,000
To Telephone	6,000		
To Office expenses	48,000		
To Bank Interest	22,000		
To Audit Fees	10,000		
To Annual General Meeting Exp.	1,00,000		
To Depreciation (Sports Equipment)	28,000		
To Surplus	1,20,000		
	8,40,000		8,40,000

Additional Information:

	As on 31.03.2	As on 31.03.2

	022	023
Outstanding subscription	64,000	72,000
Subscription received in advance	52,000	33,600
Salaries Outstanding	24,000	32,000
Audit Fees Payable	8,000	10,000
Bank Loan	1,20,000	1,20,000
Value of Sports Equipment	2,08,000	2,52,000
Value of Club Premises	7,60,000	7,60,000
Cash in Hand	?	1,14,000

Q56 Highend Club appointed a new accountant for maintaining books of account. He prepared following Receipts and Payments A/c for the year ended as on 31st March, 2023.

Receipts and Payments Account

Receipts	₹	Payments	₹
To Balance b/d	9,000	By Loss on sale of furniture (cost price ₹ 90,000)	36,000
To Annual income from subscription	9,18,000	By Repair & Maintenance Expenses (including payment for sports material ₹ 54,000)	1,26,000
Add: Outstanding of last year received this year	36,000		
Less: Prepaid of	9,54,000		
	(18,000)		



last year				
To Sale of Old Newspaper		36,000	By Printing & Stationery	21,000
To 5% Interest on Investments		27,000	By Telephone Expenses	45,000
To Entrance Fees		68,000	By Garden Upkeep	55,000
To Donation for building		18,000	By Electricity Charged	36,000
			By Balance c/d	25,570,000
		28,76,000		28,76,000

Additional information: Highend Club had following balances:

	01-04-2022	01-04-2023
Furniture	3,60,000	
Stock of Sports material	1,33,200	36,000
Subscription receivable		54,000
Subscription received in advance		18,000
Outstanding Printing & Stationery Exp.	1,500	2,500
Outstanding Electricity Charges		3,200

50% Entrance Fees is to be capitalized.

Do you agree with above Receipts and Payments Account? If not, prepare correct Receipts and Payments Account and Income and Expenditure Account for the year ended

31st March, 2023 and Balance Sheet as on that date.

Q57 The Accountant of Diana Club furnishes you the following receipts and payments account for the year ending 30th September, 2023:

Receipts	₹	Payments	₹
Opening balance:		Honoraria to secretary	9,600
Cash & Bank	16,760	Misc. expenses	3,060
Subscription	21,420	Rates and taxes	2,520
Sale of old newspapers	4,800	Ground man's wages	1,680
Entertainment fees	8,540	Printing and stationary	940
Bank interest	460	Telephone expenses	4,780
Bar receipts	14,900	Payment for bar purchases	11,540
		Repairs	640
		New car (Less sale proceeds of old car ₹ 6,000)	25,200
		Closing balance:	
		Cash and bank	6,920
	66,880		66,880

Additional information:

	01.10.2022	30.09.2023
Subscription due (not received)	2,400	1,960
Cheques issued, but not presented for	180	60



payment of printing		
Club premises at cost	58,000	-
Depreciation on club premises provided so far	37,600	-
Car at cost	24,380	-
Depreciation on car	20,580	-
Value of Bar stock	1,420	1,740
Amount unpaid for bar purchases	1,180	860

Depreciation is to be provided @ 5% p.a. on the written down value of the club premises and @ 15% p.a. on car for the whole year.

You are required to prepare an income and expenditure account of Diana Club for the year ending 30th September, 2023 and balance sheet as on that date

Q58 The following is the Receipts and Payments Account of Mumbai Club for the year ended March 31, 2023:

Receipt and Payment Account of Mumbai Club

Receipts	Amount (₹)	Payments	Amount (₹)
Cash in hand	20,000	Ground man's Fee	75,000
Balance at Bank as per PassBook		Purchase of Equipment's	1,55,000
Saving Account	1,93,000	Rent of Ground	25,000
Current Account	60,000	Club night expenses	38,000
Bank Interest	5,000	Printing and Office Expenses	30,000
Donations and Subscriptions	2,50,000	Repairs to Equipment	50,000
Entrance fees	18,000	Honorarium to	40,000

		Secretary(2021-22)	
Contribution to Club night	10,000	Balance at Bank as per PassBook	
Sale of Equipment	8,000	Saving Account	2,04,000
Bar Room receipts	20,000	Current Account	20,000
Proceeds from club night	78,000	Cash in hand	25,000
	6,62,000		6,62,000

You are given the following additional information (All figures are in ₹)

	01.04.22	31.03.23
Subscription due	15,000	10,000
Amount due for printing etc.	10,000	8,000
Cheques unpresented being payment for repairs	30,000	25,000
Interest not yet entered in the Passbook	-	2,000
Estimated value of machinery and equipment	80,000	1,75,000

For the year ended March 31, 2023, the honorarium to the Secretary is to be increased by a total of ₹ 20,000 and Ground man is to receive a bonus of ₹ 20,000. Prepare the Income and Expenditure Account for period ended 31st March, 2023 and the Balance Sheet as at that date.

Q59 From the following balances and particulars of AS College prepare Income & Expenditure



Account for the year ended March, 2023 and a Balance Sheet as on the date:

	Dr.	Cr.
Security Deposit-Students		1,55,000
Capital fund		13,08,000
Building Fund		19,10,000
Tuition Fee received		8,10,000
Government Grants		5,01,000
Interest & Dividends on Investments		1,75,000
Hostel Room Rent		1,65,000
Mess Receipts (Net)		2,05,000
College Stores-Sales		7,60,000
Outstanding expenses		2,35,000
Stock of-stores and Supplies (opening)	3,10,000	
Purchases-Stores & Supplies	8,20,000	
Salaries-Teaching	8,75,000	
Salaries-Research	1,25,000	
Scholarships	85,000	
Students Welfare expenses	37,000	
Games & Sports Expenses	52,000	
Other Investments	12,75,000	
Land	1,50,000	
Building	15,50,000	
Plant and Machinery	8,50,000	
Furniture and Fittings	5,40,000	
Motor Vehicle	2,40,000	

Provision for Depreciation		
Building		4,90,000
Plant & Equipment		5,05,000
Furniture & Fittings		3,26,000
Cash at Bank	3,16,000	
Library	3,20,000	
	75,45,000	75,45,000

Adjustments:

(i)	Materials & Supplies consumed (From college stores)	52,000
(ii)	Teaching Research Students Welfare Games or Sports	1,45,000
(iii)	Tuition fee receivable from Government for backward class Scholars	78,000
(iv)	Stores selling prices are fixed to give a net profit of 15% on selling price	24,000
(v)	Depreciation is provided on straight line basis at the following rates:	
	1. Building	5%
	2. Plant & Equipment	10%
	3. Furniture & Fixtures	10%
	4. Motor Vehicle	20%

Q60 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 2023.

	01.04.2022	31.03.2023
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



Answer Key

- Q1 false
 Q2 false
 Q3 false
 Q4 false
 Q5 false
 Q6 false
 Q7 false
 Q8 false
 Q9 false
 Q10 true
 Q11 false
 Q12 false
 Q13 false
 Q14 false
 Q15 false
 Q16 true
 Q17 true
 Q18 false
 Q19 false
 Q20 false
 Q21 false
 Q22 false
 Q23 false
 Q24 true
 Q25 false
 Q26 true
 Q27 true
 Q28 false
 Q29 false
 Q30 true

Q31 true

Q32

Particulars	Amount
Subscription received during the year	42,000
Add: Closing Outstanding	3,000
Less: Opening Outstanding (Received for last year)	(1,600)
Less: Closing Pre-received (Received for next year)	(600)
Transferred to credit side of Income & Expenditure A/c	42,800

Q33 Subscription A/c

Date	Particulars	Amount	Date	Particulars	Amount
01.04.2022	To Subscription Outstanding	20,000	01.04.2022	By Subscription in Advance	18,000
2022-23	To Income & Expenditure A/c (Bal. Fig.)	4,37,000	2022-23	By Cash/Bank A/c (Receipts & Payment)	4,50,000
31.03.2023	To Subscription in	26,000	31.03.2023	By Subscription	15,000



	Advance			Outstanding	
		4,83,000			4,83,000

Q34

Subscription A/c

Date	Particulars	Amount	Date	Particulars	Amount
01.04.2022	To Subscription Outstanding	45,000	01.04.2022	By Subscription in Advance	30,000
2022-23	To Income & Expenditure A/c (350*1050)	3,67,500	2022-23	By Cash/Bank A/c (Receipts & Payment)	4,10,000
31.03.2023	To Subscription in Advance	62,000	31.03.2023	By Subscription Outstanding (Bal. Fig.)	34,500
		4,74,500			4,74,500

Q35

Particulars		Amount
Subscription for the year	500 x 1,000	5,00,000
Less: Closing Outstanding	40 x 1,000	(40,000)
Add: Closing pre-received	70 x 1,000	70,000
Cash receipts of Annual fee		5,30,000

Q36 Income & Expenditure A/c

Expenditure ₹		Income ₹
	By Subscription (500 x 1,500)	7,50,000

Balance Sheet (31st March, 2022)

Liabilities ₹		Assets ₹
Pre-received subscription	-	O/s subscription (15,000 + 12,000)
		27,000

Balance Sheet (31st March, 2023)

Liabilities ₹		Assets ₹
Pre-received subscription	18,000	O/s subscription For 2021 - 2022 15,000 For 2022 - 2023 1,35,000
		1,50,000

Note:

Particulars		Amount
Subscription for the year	500 x 1,500	7,50,000
Less Received during the year for 2022 - 2023		(6,15,000)
Outstanding for the year 2022 - 2023		1,35,000

Q37 Income & Expenditure A/c

Expenditure ₹		Income ₹
	By Subscription	28,000



Balance Sheet (31st March, 2023)

Liabilities	₹	Assets	₹
Pre-received subscription	5,000	O/s subscription (1,000 + 3,000)	4,000

Note:-**Option:1 Calculation of Income from Subscription**

Particulars	Amount
Subscription received for the year	20,000
Add: Outstanding on 31.3.2023 for 2022-23 (4,000 - 1,000)	3,000
Add: Received in advance last year for 2022-23	5,000
Subscription Income for 2022-23	28,000

Option:2 Calculation of Income from Subscription

Particulars	Amount
Total Subscription received during the year	29,000
Add: Outstanding on 31.3.2023	4,000
Less: Outstanding on 31.3.2022	(5,000)

Add: Received in advance on 31.3.2022	5,000
Less: Received in advance on 31.3.2023	(5,000)
Subscription Income for 2022-23	28,000

Q38 Salaries A/c

Date	Particulars	Amount	Date	Particulars	Amount
01.04.22	To Prepaid Salary A/c	400	01.04.22	By O/s Salary A/c	1,400
	To Cash & Bank A/c	23,000		By Income & Exp. A/c	23,200
31.03.23	To O/s Salary A/c	1,800	31.03.23	By Prepaid Salary A/c	600
		25,200			25,200

Prepaid Salary A/c

Date	Particulars	Amount	Date	Particulars	Amount
01.04.22	To Balance b/d	400	01.04.22	By Salaries A/c	400
31.03.23	To Salaries A/c	600	31.03.23	By Balance c/d	600
		1,000			1,000

O/s Salary A/c

Date	Particulars	Amount	Date	Particulars	Amount
------	-------------	--------	------	-------------	--------



01.04.22	To Salaries A/c	1,400	01.04.22	By Balance b/d	1,400
31.03.23	To Balance c/d	1,800	31.03.23	By Salaries A/c	1,800
		3,200			3,200

Receipts & Payments

Receipts	Amount	Payments	Amount
		By Salaries	23,000

Income & Expenditure

Expenditure	Amount	Income	Amount
To Salaries	23,200		

Balance Sheet

Liabilities	31.03.22	31.03.23	Assets	31.03.22	31.03.23
O/s Salary	1,400	1,800	Prepaid Salary	400	600

Q39 Balance Sheet as at 31.03.23 (Extract)

Liabilities	₹	Assets	₹
Match Fund:			
Opening	30,000		
Add:			
Donation for Match fund	55,000		
Add:			
Proceeds from sale of tickets	20,000		
Less: Match Expenses (W.N.-1)	(1,05,000)		
	Nil		

Note: Since the expenses incurred are more than the Match fund available 105,000 we are limiting the expenses to 1,05,000. The remaining expenses of 5000 (1,10,000-1,05,000) will be

debited to the Income and expenditure account.

Q40 Income and Expenditure account for the year ended 31-03-2023

Expenditure	Amount	Income	Amount
To Salaries & Wages 1,65,000		By Subscriptions 4,20,000	
Add: Outstanding 40,000	2,05,000	Add: Closing O/s 55,000	
To Office Expenses 35,000		Less: Opening O/s (65,000)	4,10,000
To Depreciation on Sports Equipment (3,42,000*25%) 85,500		By Donations 55,000	
To Telephone charges 28,000		By Entrance Fees (85,000*50%) 42,500	
To Electricity charges 32,000			
To Travelling & conveyance 65,000			
To Surplus 57,000			
	5,07,500		5,07,500

Note: It has been assumed that donations of 55,000 are revenue in nature.

Q41 Balance Sheet as at 31st March, 2022

Liabilities	₹	Assets	₹
Capital Fund (Bal. Fig.)	47,000	Furniture	9,600
O/s Salaries	710	Fixed Deposit	20,000
O/s Rent & Electricity	864	Library Books	5,000
O/s Magazines	226	Subscription receivable	1,263



		Cash & Bank	4,820
		Accrued Interest	500
		Prepaid Expenses	417
		Sports Equipments	7,200
	48,800		48,800

Income & Expenditure A/c for the year ended 31st March, 2023

Expenditure	₹	Income	₹
To Salaries	11,460	By Subscriptions	28,912
To Rent & Electricity	7,329	By Miscellaneous Income	700
To Depreciation		By Interest	2,000
Library Books 750		By Deficit (Bal. Fig.)	2,888
Furniture 960			
Sports Equipment 1,640	3,350		
To Magazine, etc.	2,286		
To Sundry Expenses	10,075		
	34,500		34,500

Balance Sheet as at 31st March, 2023

Liabilities	₹	Assets	₹
O/s Rent & Electricity	973	Furniture	8,640
O/s Salaries	170	Fixed Deposit	20,000
O/s Magazines	340	Library Books	5,250

Capital fund 47,000		Subscription s Receivable	1,575
(-) Deficit (2,888)	44,112	O/s Interest	500
		Prepaid Expenses	620
		Sports Equipments	6,560
		Cash & Bank	2,450
	45,595		45,595

Working Notes:

1. Computation of Subscriptions to be transferred to Income & Expenditure A/c:

Subscriptions Received	28,600
(+) Subscriptions Receivable (31/3/2023)	1,575
(-) Subscriptions Receivable (31/3/2022)	(1,263)
	28,912

1. Interest

Interest Received	2,000
(+) O/s Interest (31/3/2023)	500
(-) O/s Interest (31/3/2022)	(500)
	2,000

1. Salaries

Salaries paid	12,000
(+) O/s Salaries (31/3/2023)	170
(-) O/s Salaries (31/3/2022)	(710)
	11,460

1. Rent & Electricity



Paid	7,220
(+) O/s at 31/3/2023	973
(-) O/s at 31/3/2022	(864)
	7,329

1. Sundry Expenses

Paid	10,278
(-) Prepaid at 31/3/2023	(620)
(+) Prepaid at 31/3/2022	417
	10,075

1. Magazines & Newspapers

Paid	2,172
(+) O/s at 31/3/2023	340
(-) O/s at 31/3/2022	(226)
	2,286

1. Library Books A/c

Particulars	₹	Particulars	₹
To Balance b/d	5,000	By Depreciation (Bal.fig.)	750
To Cash A/c	1,000	By Balance c/d	5,250
	6,000		6,000

1. Sports Equipment

Particulars	₹	Particulars	₹
To Balance b/d	7,200	By Depreciation (8,200*20%)	1,640
To Cash A/c	1,000	By Balance c/d	6,560
	8,200		8,200

Q42 Income & Expenditure Account

Expenditure	Amount	Income	Amount
To Salaries	2,08,000	By Subscription (450 x 5,000)	2,25,000
To Stationery consumed (5,000 + 36,000 - 40,000 - 9,000)		By Profit on sports meet	1,55,000
To Telephone expenses (10,000 + 3,500)	13,500	By Income from Investment (1,00,000 + 3,750)	1,03,750
To Rent	60,000		
To Sundry Expenses (92,500 - 7,000)	85,500		
To Depreciation on Building	50,000		
To Surplus (Bal. Fig.)	30,750		
	4,83,750		4,83,750

Closing Balance Sheet (As at 31.03.2023)

Liabilities	Amount	Assets	Amount
Pre-received subscription	7,500	Stationery stock	9,000
O/s Telephone bill	3,500	Building	9,50,000
Capital Fund		O/s Subscription	
31,05,500	31,36,250	(500 Last year + 14,000 Current year)	14,500
Add: Surplus 30,750			



		Investment (20,00,000 + 1,25,000)	21,25,000
		Accrued Interest on Investment	3,750
		Cash & Bank	45,000
	31,47,250		31,47,250

Working Note:**Opening Balance Sheet (As at 31.03.2022)**

Liabilities	Amount	Assets	Amount
O/s Sundry expenses	7,000	Cash	1,02,500
Capital Fund (Bal. Fig.)	31,05,500	O/s subscription	5,000
		Stock of stationery	5,000
		Building	10,00,000
		Investments	20,00,000
	31,12,500		31,12,500

Q43 In the books of AMA society
Income and Expenditure Account for the year
ending 31st March, 2023

Expenditure	₹	Income	₹
To Medicine	2,90,000	By Subscription	5,12,000
To Honorarium	1,00,000	By Donation	1,50,000
To Salaries	2,80,000	By Interest on investment	90,000
To Sundry	10,000	By Charity show	1,25,000

expense s			
To Depreciation		Less: Charity show expenses (15,000)	1,10,000
- Equipment	60,000		
- Building	20,000		
To Surplus	1,02,000		
	8,62,000		8,62,000

Balance Sheet of AMA society as on 31st March, 2023

Liabilities	₹	Assets	₹
Capital Fund:		Equipments	
		2,10,000	
Opening balance		Add:	
18,03,000		Purchases.	
		1,50,000	
Add:		Less: dep. (bal. fig)	
Surplus 1,02,000	19,05,000	(60,000)	3,00,000
Adv. subscription	7,000	Building	
		5,00,000	
Creditors (medicine)	1,30,000	Less: dep. (bal. fig)	
		(20,000)	4,80,000
		Investment (₹ 90,000/9%)	10,00,000
		Closing outstanding subscription	22,000
		Closing stock(medicine)	1,50,000
		Cash	90,000



	20,42,000		20,42,000
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Working Note:

- Subscription for the year ended 31st March, 2023

Particulars	Amount
Subscription Received during the year	5,00,000
Less: Subscription outstanding as on 1 st April, 2022	(15,000)
Add: Subscription outstanding as on 31 st March, 2023	22,000
Add: Subscription received in advance as on 1 st April, 2022	12,000
Less: Subscription received in advance as on 31 st March, 2023	(7,000)
Total	5,12,000

- Medicines purchased during the year ended 31st March, 2023

Particulars	Amount
Opening due for medical supply	90,000
Less: Payment made during the year	(3,00,000)
Less: Closing due for medical supply	(1,30,000)
Medicines purchased during the year	3,40,000

- Medicines consumed during the year ended 31st March, 2023

Particulars	Amount
Opening stock	1,00,000
Add: Purchase during the year	3,40,000
Less: Closing Stock	(1,50,000)

Medicines consumed during the year	2,90,000
------------------------------------	----------

- Depreciation on Equipment

Particulars	Amount
Opening Balance	2,10,000
Add: Purchase during the year	1,50,000
Less: Closing Balance	(3,00,000)
Depreciation for the year	60,000

Q44 Income and Expenditure Account of Pune Medical Aid Society for the year ended 31st December, 2022

Expenditure	₹	Income	₹
To Medicine consumed	34,750	By Subscription	66,000
To Honorarium to doctors	15,000	By Donation	25,000
To Salaries	36,000	By Int. on investments	10,000
To Sundry expenses	950	By Profit on charity show	
To Depreciation on		Show collections	16,500
Equipment	9,300	Less: Show expenses	(2,750)
Building	3,250		13,750



To					
Surplus-excess of Income over Expenditure		15,500			
		1,14,750			1,14,750

Balance Sheet of Pune Medical Aid Society as on 31st December, 2022

Liabilities	₹	₹	Assets	₹	₹
Capital fund:			Building	65,000	
Opening balance	1,99,700		Less: Depreciation	(3,250)	61,750
Add: Surplus	15,500	2,15,200	Equipment	21,500	
Subscription received in advance		1,400	Add: Purchase	25,000	
Amount due for medicine supply		16,500		46,500	
			Less: Depreciation	(9,300)	37,200
			Stock of medicine		17,250
			Investments		1,00,000
			Subscription receivable		3,100
			Cash in hand		13,800
		2,33,100			2,33,100

Working Notes: 1.

Subscription for the year ended 31st December, 2022:	₹	₹
Subscription received during the year		65,000
Less: Subscription receivable on 1.1.2022	2,500	
Less: Subscription received in advance on 31.12.2022	1,400	(3,900)
Add: Subscription receivable on 31.12.2022	3,100	
Add: Subscription received in advance on 1.1.2022	1,800	4,900
		66,000
2. Purchase of medicine:		
Payment for medicine supply		35,000
Less: Amounts due for medicine supply on 1.1.2022		(12,000)
		23,000
Add: Amounts due for medicine supply on 31.12.2022		16,500
		39,500
3. Medicine consumed:		
Stock of medicine on 1.1.2022		12,500
Add: Purchase of medicine during the year		39,500
		52,000
Less: Stock of medicine on 31.12.2022		(17,250)
		34,750



4. Depreciation on equipment:		
Value of equipment on 1.1.2022		21,500
Add: Purchase of equipment during the year		25,000
		46,500
Less: Value of equipment on 31.12.2022		(37,200)
Depreciation on equipment for the year		9,300

Balance Sheet of Pune Aid Society as on 1st January, 2022

Liabilities	₹	Assets	₹
Capital fund (balancing figure)	1,99,700	Building	65,000
Subscription received in advance	1,800	Equipment	21,500
Amount due for medicine supply	12,000	Stock of medicine	12,500
		Investments (₹ 10,000 x 100/10)	1,00,000
		Subscription receivable	2,500
		Cash in hand	12,000
	2,13,500		2,13,500

Q45 Income & Expenditure A/c

Expenditure	₹	Income	₹
To Electricity charges	7,200	By Entrance Fee A/c (WN 1)	7,500
To Postage & Stationery	5,000	By Membership	1,90,000

		subscription (WN 2)	
To Telephone Charges	5,000	By Sale proceeds of old newspapers	1,500
To Depreciation Books	46,000	By Hire of Lecture Hall	20,000
Elec. Fitting	15,000		
Furniture	5,000		
To Rent (88,000 + 4,000)	92,000	By Interest (WN 3)	8,500
To Salaries (66,000 + 3,000)	69,000	By Deficit (Bal. Fig.)	16,700
	2,44,200		2,44,200

Balance Sheet (As at 31.03.2023)

Liabilities	₹	Assets	₹
Capital Fund	7,76,300	Electrical Fittings	1,35,000
(-) Deficit (16,700)		Furniture	45,000
Entrance fees	22,500	Books	4,14,000
Pre received Membership Subscription	10,000	Cash at Bank	20,000
O/s Expenses		O/s Interest	500
Rent	4,000	Cash in hand	11,300
Salaries	7,000	Investment	1,90,000



	8,15,800		8,15,800
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Working Notes:

WN -1 Entrance Fees:

Entrance fees received	30,000		
Entrance fees to be capitalized	30,000 x 75% = 22,500		
Entrance fees transferred to Income & Expenditure A/c	30,000 x 25% = 7,500		

WN-2 Computation of membership subscription belonging to this year

Membership subscription received	2,00,000
Less: Pre received for 2023-24	(10,000)
	1,90,000

WN -3 Computation of Interest for the year 2022-23

Interest on securities as at 31.3.2023	1,50,000 x 5% = 7,500
Interest on additions made on 1.10.2022 for half year = 40,000 x 5%	1,000
Total Interest	8,500
(-) Interest received	(8,000)
O/s Interest	500

WN- 4 Books A/c

Particulars	₹	Particulars	₹
To Balance b/d	4,00,000	By depreciation A/c *	46,000
To Cash A/c	60,000	By Balance c/d	4,14,000
	4,60,000		4,60,000

(*) It is given in question to depreciate books including additions @ 10%

∴ Dep. (₹ 4,00,000 + ₹ 60,000) x 10% = 46,000

WN -5: Computation of Depreciation on Electrical Fittings & Furniture:

	Electrical Fittings	Furniture
Opening Balances	1,50,000	50,000
(-) Depreciation @ 10%	(15,000)	(5,000)
Closing Balances	1,35,000	45,000

Q46 Income & Expenditure Account

Expenditure	Amount	Income	Amount
To Salaries	20,000	By Subscription (1,20,000 + 9,000 - 3,500)	1,25,500
To Stationery expenses	1,500	By Donations	25,000
To Repair expenses	5,000	By Entrance Fees	10,000
To Insurance Premium (Incl. O/s)	2,400	By Sale of old newspaper	1,500
To Misc. Expenses (5,000 - 900)	4,100	By Bank Interest	4,000
To Drama Expenses	5,000	By Interest on Investments (60,000*8%*5/12)+1,000	3,000
To Surplus (Bal. Fig.)	1,41,500	By Sale of Drama tickets	10,500
	1,79,500		1,79,500

Closing Balance Sheet (As at 31.03.2023)

Liabilities	Amount	Assets	Amount
Pre-received subscription	3,500	Cash in hand	26,500
Insurance premium outstanding	400	Cash at Bank	72,000
Capital Fund 3,60,000		Furniture	60,000
Add: Donations 25,000		Prepaid Misc. Expenses	900
Add: Surplus 1,41,500	5,26,500	O/s Subscription	9,000
		Investment	60,000
		Accrued Interest on Investment	2,000
		Billiards table & other sports equipment	3,00,000
	5,30,400		5,30,400

Working Note:**Opening Balance Sheet (As at 31.03.2022)**

Liabilities	Amount	Assets	Amount
Billiards table outstanding	80,000	Cash in hand	40,000
Capital Fund (Bal. Fig.)	3,60,000	Cash at Bank	1,00,000
		Billiards table & other sports equipment	3,00,000
	4,40,000		4,40,000

Q47 Income & Expenditure Account A/c for the year ended 31st March, 2023

Expenditure		Income	
To Expenses	20,000	By Subscription (21,000+6,000)	27,000

To Interest	4,000	By Locker Rent (7,000-2,400)	4,600
To Miscellaneous Expenses	4,700	By Sale Proceeds of old newspapers	1,000
To Surplus (Bal. Fig.)	12,900	By Miscellaneous Income	9,000
	41,600		41,600

Balance Sheet of M/s Antony Education Society as on 31st March, 2023

Liabilities	Amount	Assets	Amount
Capital Fund	1,06,200	Building	1,50,000
Add: Entrance fees*	38,000	Outstanding Subscription (3,800-2,000)	1,800
Add: Surplus	12,900	Land	40,000
Subscription received in Advance	1,000	Cash in Hand	18,300
Outstanding Expenses	2,000		
Loan	40,000		
Sundry Creditors	10,000		
	2,10,100		2,10,100

Note: It has been assumed that Entrance fees is of capital nature & therefore capitalized by adding to capital fund. Alternatively it can also be assumed to be of revenue nature.

**Q48 In the books of Rotary Club
Dr Income and Expenditure Account for the year ended on 31st March, 2023 Cr**

Expenditure	Amount (₹)	Income	Amount (₹)
To Salaries and wages	12,250	By Subscriptions (W.N. 4)	22,000
To Depreciation (W.N. 3)	10,300	By Net proceeds from refreshments (22,000-18,250)	3,750
To Telephone Charges	2,800	By Entrance fees (50% x 26,000)	13,000
To Electricity charges (W.N. 5)	14,000	By Interest on investments	4,550
To Honorarium charges	6,500	By Excess of exp. over income	2,550
	45,850		45,850

Balance sheet as on 31st March, 2023

Liabilities	Amount (₹)	Assets	Amount (₹)
Opening capital fund 1,13,880		Sports Equipment	50,500
Less: Deficit (2,550)	1,11,330	Furniture	11,180
Entrance fees	13,000	7% Investments	65,000
Outstanding electricity charges	3,800	Subscription in arrears	5,200
Subscription in advance	4,850	Cash	1,100
	1,32,980		1,32,980

Working notes

1. Investments made- Income earned during the year = 4,550 = 65,000

Rate of interest 7%

- **Balance sheet as on 31st March, 2022**

Liabilities	Amount (₹)	Assets	Amount (₹)
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Opening capital fund (B/f)	1,13,880	Sports Equipment	32,000
Accrued electricity charges	5,400	Furniture	12,480
Subscription in advance	6,250	7% Investments	65,000
		Subscription Outstanding	7,600
		Cash	8,450
	1,25,530		1,25,530

1. Computation of depreciation-**Sports equipment**

Particulars	Amt (Rs)
Sports equipment as on 31st, March 2022	32,000
Add: Purchases during the year	27,500
Less: Closing balance of equipment as on 31st, March 2023	(50,500)
Depreciation on sports equipment for the year ended 31st, March 2023	9,000

Furniture

Particulars	Amt (₹)
Furniture as on 31st, March 2022	12,480
Add: Purchases during the year	-
Less: Closing balance of equipment as on 31st, March 2023	(11,180)
Depreciation on furniture for the year ended 31st, March 2023	1,300

Total Depreciation = ₹ 10,300 (9,000+1,300)



1. Subscription to be credited to income and expenditure account for the year 2023

Dr Subscription A/c (year ended on 31st March, 2023) Cr

Particulars	Amount(₹)	Particulars	Amount(₹)
To Outstanding at the beginning (2022)	7,600	By Advance at the beginning (2022)	6,250
To Income and Expenditure A/c	22,000	By Receipts and payments A/c	23,000
To Advance at the end (2023)	4,850	By Outstanding at the end (2023)	5,200
	34,450		34,450

1. Electricity charges to be debited to Income and expenditure Account:-

Electricity charges paid for year 2023	15,600
Add: Outstanding charges for year 2023	3,800
Less: Outstanding charges for year 2022	(5,400)
Electricity charges to be debited to Income and Expenditure A/c	14,000

Q49 Receipts & Payment Account

Receipts	Amount	Payments	Amount
To Balance b/d		By Salaries & Wages	1,200
Cash in Hand	200	By Purchase of food stuff	800

Cash in Bank	400	By Construction of club Pavilion	11,000
To Entrance fees	300	By General expenses	600
To Membership Fees	3,000	By Rent & Taxes	400
To Donations for club pavilion	10,000	By Bank charges	160
To Food stuff sales	1,200	By Balance c/d	
		Cash in Hand	350
		Cash in Bank	590
	15,100		15,100

Q50 Receipts & Payment Account For the year ended 31st March, 2023

Receipts	Amount	Payment	
To Balance b/d (Bal. Fig)	16,126	By Upkeep of Ground 11,000	11,660
		Add: Opening O/s 660	
To Subscriptions (W.N. 1)	19,052	By Printing A/c 1,100	1,364
		Add: Opening O/s 264	
To Sale of News Papers (old)	286	By Salaries A/c	11,100
To Lectures (fee)	1,650	By Rent A/c	1,660
To Entrance fee (715 × 4/1)	2,860	By Furniture A/c (9,900+1100)	11,000
To Misc. income	440	By Prizes given	2,200



To Interest on Prize fund Investment	1,100	By Balance c/d	2,530
	41,514		41,514

W.N. (1)**Dr.****Subscription Account****Cr.**

Date	Particulars	Amount	Date	Particulars	Amount
2022 April, 1	To O/s Subscription A/c	880	2022 April, 1	By Advance Subscription A/c	220
2023 March, 31	To Income & Expenditure A/c	19,052	2023 March, 31	By Cash (Receipts and Payment A/c) (B/F)	19,052
March, 31	To Advance Subscription A/c	110	March, 31	By O/s Subscription A/c	770
		20,042			20,042

Q51 Receipts & Payment A/c

Receipts	Amount	Payments	Amount
To Opening Cash balance (Bal. Fig.)	12,300	By Salaries	47,000
To Subscription	71,700	By Sports Equipment purchased	4,000
To Entrance Fee	2,500	By Annual day expenses	7,500
To Annual contribution	15,000	By Miscellaneous	5,000

n (7,500 + 7,500)		expenses	
		By Audit Fee	2,500
		By Executives honorarium	10,000
		By Sports day expenses	5,000
		By Printing & stationary	4,500
		By Balance c/d	16,000
	1,01,500		1,01,500

Working Notes:

1. Subscriptions received during the year

Subscriptions income for the year	75,000
(-) Closing O/s Subscription	(7,500)
(+) Opening O/s Subscription	6,000
(-) Opening Pre received subscription	(4,500)
(+) Closing Pre received subscription	2,700
	71,700

1. Salaries & wages paid during the year

Salaries debited to Income & Expenditure A/c	47,500
(-) Closing Outstanding salaries	(4,500)
(+) Opening Outstanding salaries	4,000
	47,000

1. Sports Equipment

Particulars	₹	Particulars	₹
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To Balance b/d	26,000	By Depreciation	3,000
To Cash A/c (Bal. Fig.)	4,000	By Balance c/d	27,000
	30,000		30,000

Q52 Balance Sheet as at 1st January, 2023

Liabilities	₹	Assets	₹
Capital Fund (Bal. Fig.)	1,15,400	Freehold Land	1,00,000
O/s Salaries	4,000	Sports Equipments	26,000
O/s Audit Fees	2,000	O/s Subscription	6,000
Bank Loan	20,000	Cash	13,900
Pre received Subscriptions	4,500		
	1,45,900		1,45,900

Receipts & Payments A/c

Receipts	₹	Payments	₹
To Balance b/d (Bal. Fig)	13,900	By Salaries	47,000
To Subscription	71,700	By General Expenses	5,600
To Entrance Fees	2,500	By Audit Fee	2,000
To Contribution for annual dinner	10,000	By Secretary's Honorarium	10,000
To Annual sports meet Receipts	7,500	By Stationery & Printing	4,500
		By Annual Dinner expenses	15,000
		By Interest & Bank Charges	1,500

		By Equipments	4,000
		By Balance c/d	16,000
	1,05,600		1,05,600

Balance Sheet as at 31st December, 2023

Liabilities	₹	Assets	₹
Capital Fund 1,15,400 (+) Surplus 6,000	1,21,400	Freehold Ground	1,00,000
O/s Salaries	4,500	Sports Equipments	27,000
O/s Audit Fees	2,500	O/s Subscriptions	7,500
Bank Loan	20,000	Prepaid Insurance	600
Pre received Subscriptions	2,700	Cash	16,000
	1,51,100		1,51,100

Working Notes:

1. Salaries paid during the year

Salaries for the year 2022	47,500
(+) Outstanding salaries as at 31.12.2022	4,000
(-) Outstanding salaries as at 31.12.2023	(4,500)
	47,000

1. General Expenses Paid

General Expenses for	5,000
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2023	
(+) Prepaid Insurance	600
	5,600

1. Computation of sports equipments purchased during the year

Closing Balance	27,000
(+) Depreciation	3,000
	30,000
(-) Opening Balance	(26,000)
	4,000

1. Subscriptions received during the year

Subscriptions for the year 2023	75,000
(+) O/s Subscription as at 31.12.2022	6,000
(-) O/s Subscription as at 31.12.2023	(7,500)
(+) Pre received subscriptions as at 31.12.2023	2,700
(-) Pre received subscription as at 31.12.2022	(4,500)
	71,700

1. Audit fee for 2023 is not paid. Thus, it will be shown in the balance sheet as at 31.12.2023 as outstanding expenses of ₹ 2,500. In 2023, audit fee for 2022 is paid (which is ₹ 2,000). thus, this amount will stand in the balance sheet as at 31.12.2022 as an O/s expense of ₹ 2,000 (Assuming there is no other outstanding audit fee)

Q53 The Young Boys Club

Receipts and Payments Account for the year ended 31st December, 2022

Receipts	₹	Payments	₹
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To Balance b/d (balancing figure)	1,580	By Salaries (WN-2)	3,900
To Subscriptions (WN-1)	8,270	By General Expenses	1500
To Entrance Fees	250	Add: Paid for 2023	150
			1,650
To Contribution for annual dinner	1,000	By Audit fee (2021)	200
To Annual sport meet receipt	750	By Secy. Honorarium	1,000
		By Stationery & Printing	450
		By Annual Dinner Expenses	1,500
		By Interest & Bank Charges	150
		By Sports Equipment (WN-3)	1,400
		By Balance c/d	1,600
	11,850		11,850

Working Note 1

Subscription A/c

Particular	₹	Particular	₹
To Subscription O/s 2021	700	By Balance b/d (b/f)	8,270
To Subscription in Advance 2022	370	By Subscription O/s 2022	750



To Income & Expenditure a/c	8,500	By Subscription in Advance 2021	550
Total	9,570	Total	9,570

Working Note 2**Salaries A/c**

Particular	₹	Particular	₹
To Bank (b/f)	3,900	By Income & Expenditure a/c	3,750
To Salaries O/s 2022	450	By Salaries O/s 2021	600
Total	4,350	Total	4,350

Working Note 3**Sports Equipment A/c**

Particular	₹	Particular	₹
To Balance b/d	2,600	By Depreciation	400
To Cash / Bank (b/f)	1,400	By Balance c/d	3,600
Total	4,000	Total	4,000

Balance Sheet of Young Boys Club as on December 31, 2022

Liabilities	₹	₹	Assets	₹	₹
Subscription received in advance		370	Freehold Ground		20,000
Audit Fee Outstanding		250	Sport Equipment:		
Salaries Outstanding		450	As per last Balance Sheet	2,600	

Bank Loan		5,000	Additions	1,400	
Capital Fund:				4,000	
Bal. as per opening Balance Sheet	18,530		Less: Depreciation	(400)	3,600
Add: Surplus for 2022	1,500	20,030	Subscription Outstanding		750
			Insurance Prepaid		150
			Cash in hand		1,600
		26,100			26,100

Balance Sheet of Young Boys Club as on 31st December, 2021

Liabilities	₹	Assets	₹
Subscriptions received in advance	550	Freehold Ground	20,000
Salaries outstanding	600	Sports Equipment	2,600
Audit fees unpaid	200	Subscriptions Outstanding	700
Bank Loan	5,000	Cash in hand	1,580
Capital Fund (balancing figure)	18,530		
	24,880		24,880

Q54 Receipt & Payment A/c

Receipts	Amount	Payments	Amount
To Balance b/d	8,300	By Payment of Sports mat.	71,200



		(WN3)	
To Subscription	4,27,000	By Fixed Asset purchased	40,000
To Interest on 8% bonds	6,000	By Salaries (1,18,800 + 16,000 - 14,300)	1,20,500
To Sale of sports material (WN-2)	22,480	By Rent (2,16,000 + 21,000 - 15,000)	2,22,000
To Sale of old Newspaper	11,600	By Printing & stationery (28,000 + 1,550 - 1,350)	28,200
To Entrance fees	2,40,000	By Repairs & Maintenance (18,700 + 1,200)	19,900
		By Misc. Expenses	5,700
		By Fixed Deposits	80,000
		By Garden upkeep	19,300
		By Electricity charges	38,500
		By Membership Fee {3,200 + 9,600 (3,200*9/3)}	12,800
		By Postage & Telephone	41,600
		By Balance c/d (Bal. Fig.)	15,680
	7,15,380		7,15,380

Closing Balance Sheet (As at 31.03.2023)

Liabilities	Amount	Assets	Amount
Capital Fund		Fixed Assets	2,67,000

4,09,300	4,12,800	(2,40,000 + 40,000 - 13,000)	
Add: Surplus 3,500			
Advance subscription	4,900	Stock of Sports Material	35,670
O/s Salaries	14,300	Advance Member Fees	9,600
O/s Rent	15,000	Accrued Interest	6,000
Creditors for Sports Material	4,200	Fixed Deposits	80,000
Entrance Fees	1,20,000	O/s Subscription	5,700
		8% Govt. Bonds	1,50,000
		Advance for Stationery	1,550
		Bank Balance	15,680
	5,71,200		5,71,200

Working Note

• Subscriptions received during the year

Subscriptions income for the year	4,20,000
(-) Closing O/s Subscription	(5,700)
(+) Opening O/s Subscription	10,200
(-) Opening Pre received subscription	(2,400)
(+) Closing Pre received subscription	4,900
	4,27,000

• Stock of Sports Material A/c



Particulars	Amount	Particulars	Amount
To balance b/d	43,450	By Bank (Sale of Material) (Bal. Fig.)	22,480
To Purchases	72,000	By Sports Material Utilized	62,800
To P & L (Profit on Sale)	5,500	By Balance c/d	35,670
	1,20,950		1,20,950

• **Creditors for Sports Material A/c**

Particulars	Amount	Particulars	Amount
To Bank (Bal. Fig.)	71,200	By Balance b/d	3,400
To Balance c/d	4,200	By Purchases	72,000
	75,400		75,400

• **Fixed Asset Purchased during the year**

Depreciation during the year	13,000
Less: Depreciation on Opening balance of fixed asset (2,40,000 * 5%)	(12,000)
Depreciation on new purchase of fixed asset during the year	1,000
Cost of asset purchased during the year $(1,000 * 12/6 * 100/5) = 40,000$	

• **Opening Balance Sheet (As at 31.03.2022)**

Liabilities	Amount	Assets	Amount
Advance subscription	2,400	Fixed Assets	2,40,000

O/s Salaries	16,000	Stock of Sports Material	43,450
O/s Rent	21,000	O/s Subscription	10,200
O/s Repairs & Maintenance	1,200	8% Government Bonds	1,50,000
Creditors for Sports Material	3,400	Advance for stationery	1,350
Capital Fund (Bal. Fig.)	4,09,300	Bank Balance	8,300
	4,53,300		4,53,300

Q55 ATK Club

Receipts and Payments Account for the year ended 31st March, 2023

RECEIPTS	₹	PAYMENTS	₹
To Balance b/d (balancing figure)	54,400	By Salaries Paid (W.N. 2)	4,72,000
To Subscriptions Received (W.N.1)	6,53,600	By Audit fee (W.N. 3)	8,000
To Entrance Fees	16,000	By Telephone	6,000
To Misc. Income	1,44,000	By Stationery & Printing	24,000
		By Postage	2,000
		By Office expense	48,000
		By Bank Interest	22,000
		By Annual General Meeting Exp.	1,00,000
		By Sports Equipment's (W.N.4)	72,000
		By Balance c/d	1,14,000



	8,68,000		8,68,000
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Balance Sheet of ATK Club as at March 31, 2023

Liabilities	₹	Assets	₹
Capital Fund :		Club Premises	7,60,000
Opening : 8,82,400		Sport Equipment	2,52,000
Add: Surplus: 1,20,000	10,02,400	Subscription Outstanding	72,000
Bank Loan	1,20,000	Cash in hand	1,14,000
Subscription received in advance	33,600		
Audit Fees Outstanding	10,000		
Salaries Outstanding	32,000		
	11,98,000		11,98,000

Balance Sheet of ATK Club as at 31st March, 2022

Liabilities	₹	Assets	₹
Subscriptions received in advance	52,000	Club Premises	7,60,000
Salaries Outstanding	24,000	Sports Equipment	2,08,000
Audit fees payable	8,000	Subscription Outstanding	64,000
Bank Loan	1,20,000	Cash in hand	54,400
Capital Fund (balancing figure)	8,82,400		

	10,86,400		10,86,400
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Working Notes:**• Subscription received in 2022-23**

Add: Subscription for 2022-23 on accrual basis	6,80,000
Add: Amount received in advance on 31.03.2023	33,600
Outstanding as on 01.04.2022 received in 2022-23	64,000
	7,77,600
Less: Outstanding to be received on 31.03.2023	72,000
Amount of 2022-23 received in 2021-22	52,000
	6,53,600

• Salary paid in 2022-23

Salary for 2022-23 on accrual basis	4,80,000
Add: Outstanding as on 01.04.2022 paid in 2022-23	24,000
Less: Outstanding to be paid on 31.03.2023	32,000
	4,72,000

• Audit Fees paid in 2022-23

Audit Fees for 2022-23 on accrual basis	10,000
Add: Outstanding as on 01.04.2022 paid in 2022-23	8,000
Less: Outstanding to be paid on 31.03.2023	10,000



	₹
	8,000

• **Sports Equipment purchased during 2022-23**

WDV as on 31.03.2023	2,52,000
Add: Depreciation	28,000
Less: WDV as on 31.03.2022	2,08,000
	72,000

Q56 Correct Receipt & Payment A/c

Receipts	Amount	Payment	Amount
To Balance b/d	9,000	By Sports Material	54,000
To Subscription	9,00,000	By Printing & Stationery	21,000
To Sale of Furniture (90,000 - 36,000)	54,000	By Repairs & Maintenance (1,26,000 - 54,000)	72,000
To Entrance Fees	68,000	By Electricity Charges	36,000
To Sale of Old Newspaper	36,000	By Telephone Expenses	45,000
To 5% Interest on Investments	27,000	By Garden upkeep	55,000
To Donation for Building	18,00,000	By Balance c/d (Bal. Fig.)	26,11,000
	28,94,000		28,94,000

Income & Expenditure A/c

Expenditure	Amount	Income	Amount
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To Loss on Sale of Furniture	36,000	By Subscription	9,18,000
To Sports Material Consumed (1,33,200 + 54,000 - 36,000)	1,51,200	By Entrance Fee (68,000*50%)	34,000
To Printing & Stationery (21,000 + 22,000 - 2,500 - 1,500)	22,000	By Sale of Old Newspaper	36,000
To Electricity Charges (36,000 + 39,200 - 3,200)	39,200	By 5% Interest on Investment	27,000
To Repairs & Maintenance	72,000		
To Telephone Expenses	45,000		
To Garden upkeep	55,000		
To Surplus (Bal. Fig.)	5,94,600		
	10,15,000		10,15,000

Closing Balance Sheet (As At 31.03.2023)

Liabilities	Amount	Assets	Amount
Pre-received subscription	18,000	Furniture (3,60,000 - 90,000)	2,70,000
O/s Printing & Stationery Exp.	2,500	Stock of Sports Material	36,000
O/s Electricity Charges	3,200	O/s Subscription	54,000
Entrance Fee	34,000	5% Investment	5,40,000
Capital Fund = 10,58,700		Bank Balance	26,11,000



5,94,600	16,53,300		
Donation for Building	18,00,000		
	35,11,000		35,11,000

Working Notes:**Opening Balance Sheet (As at 31.03.2022)**

Liabilities	Amount	Assets	Amount
Pre-received Subscription	18,000	Furniture	3,60,000
O/s Printing & Stationery	1,500	Sports Material Stock	1,33,200
Capital Fund (Bal. Fig.)	10,58,700	O/s Subscription	36,000
		5% Investment	5,40,000
		Cash Balance	9,000
	10,78,200		10,78,200

Subscriptions received during the year

Subscriptions income for the year	9,18,000
(-) Closing O/s Subscription	(54,000)
(+) Opening O/s Subscription	36,000
(-) Opening Pre received subscription	(18,000)
(+) Closing Pre received subscription	18,000
	9,00,000

Q57 Income & Expenditure A/c

Expenditure	Amount	Income	Amount
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To Depreciation Club premises 1,020 (20,400*5%)		By Subscription (21,420 + 1,960 - 2,400)	20,980
Car 4,680 (31,200*15%)	5,700		
To Honoraria to Secretary	9,600	By Profit from Bar activity	4,000
To Misc. Expenses	3,060	By Sale of Old Magazines	4,800
To Groundman's Wages	1,680	By Entertainment Fees	8,540
To Printing & Stationery	940	By Bank interest	460
To Telephone Expenses	4,780	By Profit from sale of Car	2,200
To Rates & Taxes	2,520		
To Repairs	640		
To Surplus (Bal. Fig.)	12,060		
	40,980		40,980

Closing Balance Sheet (As at 30.09.2023)

Liabilities	Amount	Assets	Amount
O/s Amount for Bar Purchase	860	Cash & Bank	6,920
Capital Fund 43,600		O/s subscription	1,960
Add: Surplus 12,060	55,660		
		Club Premises	19,380
		Car	26,520



		Bar Stock	1,740
	56,520		56,520

Car A/c

Particulars	Amount	Particulars	Amount
To Balance b/d	3,800	By Depreciation	4,680
To Bank a/c (25,200 + 31,200 - 6,000)		By Bank a/c (sold)	6,000
To P & L a/c	2,200	By Balance c/d	26,520
	37,200		37,200

Opening Balance Sheet (As at 01.10.2022)

Liabilities	Amount	Assets	Amount
O/s Amount for Bar Purchase	1,180	Cash & Bank	16,760
Capital Fund (Bal. Fig.)	43,600	O/s Subscription	2,400
		Club Premises (58,000 - 37,600)	20,400
		Car (24,380 - 20,580)	3,800
		Bar Stock	1,420
	44,780		44,780

Creditors for Bar Purchases

Particulars	Amount	Particulars	Amount
To Bank A/c (Payment)	11,540	By Balance b/d	1,180

To Balance c/d	860	By Purchases (Bal. Fig.)	11,220
	12,400		12,400

Bar Stock A/c

Particulars	Amount	Particulars	Amount
To Balance b/d	1,420	By Receipts	14,900
To Purchases	11,220	By Balance c/d	1,740
To Income & Exp. A/c (Profit)	4,000		
	16,640		16,640

Note: The opening and closing balance of cash and bank shown in the Receipts and Payments Account (given in the question), include the bank balance as per cash book. Therefore, no adjustment has been made in the above solution on account of cheques issued, but not presented for payment of printing

Q58 Income and Expenditure Account of Mumbai Club for the year ending 31st March, 2023

Expenditure	₹	Income	₹
To Groundsman's fee	75,000	By Donations and Subscription (W.N.2)	2,45,000
To Rent of Ground	25,000	By Receipts from bar room	20,000
To Club night Expenses 38,000		By Proceeds of club night	78,000*
Less: Contribution (10,000)	28,000*	By Interest (5,000+2,000)	7,000
To Printing & Office Expenses (W.N. 3)	28,000		



To Repairs to Equipment (W.N.4)	45,000		
To Depreciation on Machinery (W.N. 5)	52,000		
To Honorarium to Secretary	60,000		
To Bonus to Groundsman	20,000		
To Excess of Income over Expenditure	17,000		
	3,50,000		3,50,000

* Alternatively, the profits from club night can be shown as the net amount of ₹ 50,000 (₹ 78,000 - ₹ 28,000) on the credit side of Income and Expenditure Account.

Balance Sheet of Mumbai Club as on 31st March,2023

Liabilities	₹	Assets	₹
Outstanding Expenses:		Cash in hand	25,000
Groundsman Bonus	20,000	Cash in Saving A/c	2,04,000
Printing	8,000	Subscription Receivable	10,000
Honorarium (40,000+20,000)	60,000	Interest Due	2,000
Bank Overdraft (25,000-20,000)	5,000	Machinery & Equipment's	1,75,000
Capital Fund: Opening	2,88,000		
Add: Surplus for the year	17,000		

Add: Entrance Fees	18,000	3,23,000	
		4,16,000	4,16,000

Working Note 1

Balance Sheet as on 1st April,2022

Liabilities	₹	Assets	₹
Outstanding Expenses		Cash in hand	20,000
Printing	10,000	Cash in Saving A/c	1,93,000
Honorarium to Secretary	40,000	Cash in Current A/c	30,000
Capital Fund (Balancing Figure)	2,88,000	Subscription Receivable	15,000
		Machinery & Equipment's	80,000
	3,38,000		3,38,000

Working Note 2: Calculation of Donations and Subscriptions

Donations and Subscriptions as per Receipt and Payments A/c	2,50,000
Add: Outstanding as on 31.03.23	10,000
Less: Outstanding as on 01.04.22	(15,000)
	2,45,000

Working Note 3: Printing and Office Expenses

Printing and Office Expenses as per	30,000
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Receipt and Payments A/c	
Add: Outstanding as on 31.03.23	8,000
Less: Outstanding as on 01.04.22	(10,000)
	28,000

Working Note 4: Repairs to Equipment

Repairs as per Receipt and Payments	50,000
A/c Add: Outstanding as on 31.03.23	25,000
Less: Outstanding as on 01.04.22	(30,000)
	45,000

Working Note 5: Depreciation on Machinery and equipment

Balance as on 01.04.22	80,000
Add: Purchases during the year	1,55,000
Less: Sale of Equipment	(8,000)
Less: Balance as on 31.03.23	(1,75,000)
	52,000

Q59 AS College**Income and Expenditure Account for the year ending 31st March, 2023**

Expenditure	₹	₹	Income	₹
To Salaries: Teaching		8,75,000	By Tuition & other fee	8,92,000
Research		1,25,000	By Govt. Grants	5,01,000
To Material & Supplies Consumed			By Income from Investments	1,75,000
-Teaching		52,000	By Hostel room Rent	1,65,000
-Research		1,45,000	By Mess Receipts	2,05,000
To Sports & Games			By Profit-stores sales	1,14,000

Expenses				
-Cash	52,000			
-Materials	24,000	76,000		
To Students Welfare Expenses				
-Cash	37,000			
-Materials	78,000	1,15,000		
To Scholarships		85,000		
To Depreciation:				
-Building		77,500		
-Plant & Equipment		85,000		
-Furniture		54,000		
-Motor Vehicle		48,000		
To Excess of Income over Expenditure		3,14,500		
		20,52,000		20,52,000

AS College**Balance Sheet as on 31st March, 2023**

Liabilities	₹	₹	Assets	₹	₹
Capital Fund			Fixed Assets:		
Opening balance	13,08,000		Land		1,50,000
Add: Excess of Income over Expenditure	3,14,500	16,22,500	Building Cost	15,50,000	
Building Fund		19,10,000	Less: Dep.	(5,67,500)	9,82,500



Current Liabilities:			Plant & Machinery Cost	8,50,000	
Outstanding Expenses		2,35,000	Less: Dep.	(5,90,000)	2,60,000
Security Deposit		1,55,000	Furniture & Fittings:		
			Cost	5,40,000	
			Less: Dep.	(3,80,000)	1,60,000
			Motor Vehicles		
			Cost:	2,40,000	
			Less: Dep.	(48,000)	1,92,000
			Library		3,20,000
			Investments		12,75,000
			Stock (stores)-		
			Material & Supplies		1,85,000
			Tuition fees receivable		82,000
			Cash in hand & at Bank		3,16,000
		39,22,500			39,22,500

Working Notes:

(1) Material & Supplies- Closing Stock		₹	₹
Opening Stock			3,10,000
Purchases			8,20,000
			11,30,000
Less: Cost of Goods Sold		6,46,000	
Material Consumed		2,99,000	(9,45,000)
Balance			1,85,000
(2) Provisions for Depreciation	Building	Plant & Equipment	Furniture & Fitting
	₹	₹	₹
Opening Balance	4,90,000	5,05,000	3,26,000
Addition	77,500	85,000	54,000
Closing Balance	5,67,500	5,90,000	3,80,000

Q60 Receipts and Payments Account for the year ended 31-03-2023

Receipts	Amount	Payments	Amount
To balance b/d		By Salaries	60,000
Cash and bank	1,10,000	By Purchase of sports goods (25,000-15,000)	10,000
To Subscription received (W.N.1)	2,45,000	By Purchase of machinery (20,000-10,000)	10,000
To Sale of investments (W.N.2)	70,000	By Sports expenses	50,000
To Interest received on investment	14,000	By Rent paid (24,000 -2,000)	22,000
To Sale of furniture	8,000	By Miscellaneous	5,000



		expenses	
		By Balance c/d	
		Cash and bank	2,90,000
	4,47,000		4,47,000

Income and Expenditure account for the year ended 31-03-2023

Expenditure	Amount	Income	Amount
To Salaries 60,000		By Subscription	3,00,000
Add: Outstanding for 2023 18,000		By Interest on Investment	
Less: Outstanding for 2022 (15,000)	63,000	Received	14,000
To Sports expenses	50,000	Accrued (W.N.5)	17,500
To Rent	24,000		
To Miscellaneous exp.	5,000		
To Loss on sale of furniture (W.N.3)	6,000		
To Depreciation (W.N.4)			
Furniture 1,400			
Machinery 1,500			
Sports goods 2,250	5,150		
To Surplus	1,64,350		
	3,17,500		3,17,500

Working Notes:

1. Calculation of Subscription received during the year 2022-23

	₹
Subscription due for 2022-23	3,00,000
Add: Outstanding of 2022	1,40,000
Less: Outstanding of 2023	(2,00,000)
Add: Subscription of 2023 received in advance	30,000
Less: Subscription of 2022 received in advance	(25,000)
	2,45,000

2. Calculation of Sale price and profit on sale of investment

Face value of investment sold: ₹ 1, 75,000 × 50% = ₹ 87,500

Sales price: ₹ 87,500 × 80% = ₹ 70,000

Cost price of investment sold: ₹ 1,40,000 × 50% = ₹ 70,000

Profit/loss on sale of investment: ₹ 70,000 – ₹ 70,000 = NIL

3. Loss on sale of furniture

	₹
Value of furniture as on 01-04-2022	28,000
Value of furniture as on 31-03-2023	14,000
Value of furniture sold at the beginning of the year	14,000
Less: Sales price of furniture	(8,000)
Loss on sale of furniture	6,000



4. Depreciation

Furniture -	₹	1,400
$14,000 \times 10\% =$		
Machinery -	₹	1,500
$10,000 \times 15\% =$		
Sports goods -	₹	2,250
$15,000 \times 15\% =$		

5. Interest accrued on investment

Face value of investment on 01-04-2022	1,75,000
Interest @ 10%	17,500
Less: Interest received during the year	(14,000)
Interest accrued during the year	3,500

Note: It is assumed that the sale of investment has taken place at the end of the year.



Hints & Solutions

Q1 Text Solution:

It depicts the cash system of accounting rather than the accrual system, as the cash receipts and payments pertaining to any year are entered in the Receipts and payments account. The principle of accrual is not followed with regard to the receipts and payments account of a non-profit organization.

Q2 Text Solution:

The income and expenditure account records only the revenue income and expenditure. The capital transactions are being recorded in the Balance sheet.

Q3 Text Solution:

The grass for a sports club is not a capital item, hence the sale of such grass shall be treated as a revenue receipt.

Q4 Text Solution:

They are disclosed under the current assets of the Balance sheet as they will be received within the next year and not to be treated as non-current assets.

Q5 Text Solution:

Receipts and payments account gives information about the expenses paid in cash for the current year, previous or the next year. It is only from the additional information we identify the outstanding expenses.

Q6 Text Solution:

Additional information means that information which has been identified just before the preparation of the final accounts. As NPO follows the double entry system of book keeping, there shall be 2 effects for each of the additional information.

Q7 Text Solution:

The excess of expenditure over the tournament fund shall be debited to the income and

expenditure account and not taken to the closing balance sheet.

Q8 Text Solution:

The excess of the income over the expenditure is called as Surplus and not profit for a Nonprofit organisation.

Q9 Text Solution:

The Non-profit organisation credits the surplus earned in a year to the general/capital fund maintained by it.

Q10 Text Solution:

It is Fund based accounting that records the fund balances in the balance sheet.

Q11 Text Solution:

Subscription is regular fees paid by the members to keep the membership alive.

Q12 Text Solution:

Honorarium refers to the nominal amount paid for the services with a non-commercial intent.

Q13 Text Solution:

Insurance Company has a profit motive, hence it is not a non-profit organization.

Q14 Text Solution:

It shall be shown in the Balance sheet- where it is to be capitalized.

Q15 Text Solution:

It is only the current year income and expenditure which is recorded in the Income and Expenditure account as per the accrual concept.

Q16 Text Solution:

While on the death bed, if there is any will written that the assets of a person shall be donated to any NPO- then such a donation to the NPO, is termed as LEGACY.

Q17 Text Solution:

Where in case of the trading activities, the profit /loss from such activity to be transferred to the



Income and expenditure account in case of consolidated accounts.

Q18 Text Solution:

The Non-profit organisation has its very existence to the main base line of serving the members and the society. Profit earning shall never be its motive.

Q19 Text Solution:

Receipts can be both of revenue as well as capital nature. Receipts of both the nature are recorded in the receipts and payments account.

Q20 Text Solution:

It represents a nominal account and is prepared in accordance with the accrual concept, hence there can be no opening balances.

Q21 Text Solution:

Receipts & Payments Account is a summary of all the cash or bank receipts & payments of both whether of capital or revenue nature.

Q22 Text Solution:

Such expenses should be deducted from the sports fund and will not be taken to income & expenditure account.

Q23 Text Solution:

Receipts and payments account is a classified summary of cash receipts and payments over a certain period together with cash and bank balances at the beginning and close of the period.

Q24 Text Solution:

Only revenue items are disclosed in Income & Expenditure Account.

Q25 Text Solution:

Net income is determined by preparing income and expenditure in case of persons practicing vocation.

Q26 Text Solution:

Institutions sometimes keep special funds for some special purposes. In such a case the income related to such funds should be added to these funds and expenses should be deducted from such funds.

Q27 Text Solution:

Because the laboratory and library deposits are of the nature of security deposits to be refunded to the students on their leaving the College or University.

Q28 Text Solution:

Fees received for life membership is a capital receipt as it is of non-recurring nature. It is directly added to capital fund or general fund.

Q29 Text Solution:

Current year subscription shall be shown in the credit side of the income & expenditure account and not in the balance sheet as it is not a capital item.

Q30 Text Solution:

The capital fund represents the amount contributed by members through legacies, special donations entrance fee and accumulated surplus over the years

Q31 Text Solution:

All the receipts and payments whether of revenue or capital nature are included in Receipt and Payment account.



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