Chapter 20 – Financial Statements of Not-for-Profit Organisations

Question 1.

From the following Particulars of Evergreen Club, prepare Receipts and Payments Account for the year ended 31st March, 2016:

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Cash in Hand on 1 st April,2015	500	Newspapers and Magazines	870
Cash at Bank on 1 st April,2015	3,400	Sale of Old Newspapers	120
Subscriptions Received	15,700	Books Purchased	3,400
Donations Received	2,800	Sports Materials Purchased	4,700
Investments Purchased	5,000	Interest on Investments Received	500
Rent Paid	500	Honorarium to Coaches	1,500
General Expenses	2,300	Cash in Hand on 31 st March,2016	300
Postage and Stationery	250	Cash at Bank on 31 st March 2016	?

Solution:

Dr.					Cr.
Receipts		₹	Payments		₹
To Balance b/d			By Investments Purchased		5,000
Cash in Hand	500		By Rent Paid		500
Cash at Bank	3,400	3,900	By General Expenses		2,300
To Subscription Received		15,700	By Postage and Stationery		250
To Donation Received		2,800	By Newspapers and Magazines		870
To Sale of Old Newspapers		120	By Books Purchased		3,400
To Interest on Investments Received		500	By Sports Material Purchased		4,700
			By Honorarium to Coaches		1,500
			By Balance c/d		
			Cash in Hand	300	
			Cash at Bank (Balancing Fig.)	4,200	4,500
		23,020			23,020

Books of Evergreen Club Receipts and Payments Account for the year ended March 31,2016

Question 2.

How are the following items shown in the accounts of a Not - For - Profit Organisation?

	5
Tournament Fund	50,000
Tournament Expenses	15,000
Receipts From Tournament	20,000

Solution:

Balance Sheet (Extract)					
Liabilities		₹	Assets	₹	
Tournament Fund	50,000				
Add : Tournament Receipts	20,000				
Less : Tournament Expenses	(15,000)	55,000			
		1			

Question 3.

Case 1

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Balance Sheet (Extract)
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Liabilities		₹	Assets	₹
Prize Fund	5,000			
Less : Prize Paid	(1,200)	3,800		

Note: Prize Fund is maintained to meet the expenses related to the Prize. Thus, Match Expenses of ₹1,500 are not deducted from the Prize Fund. However, it will be debited to the Income and Expenditure Account as no specific fund is maintained to meet such expenses. Case 2

Balance Sheet (Extract)						
Liabilities		₹	Assets	₹		
Match Fund	10,000		Match fund Investments	6,000		
Less : Match Expenses	(3,500)					
Add : Interest on Investment of Match Fund	300	6,800				

Note: Match Fund is maintained to meet the expenses related to the Match. Therefore, Prizes paid worth ₹1,900 are not deducted from the Match fund. However, it will be debited to the Income and Expenditure Account as no specific funds maintained for distributing the prizes. Also, the interest on investment of Match Fund will be added to Match Fund because it is an income related to this particular fund.

Solution:

How are the following dealt with in the accounts of a Not-For-Profit Organisation?

Case 1	Dr.(₹)	Cr.(₹)	Case 2	Dr.(₹)	Cr.(₹)
Prize Fund		5,000	Match Fund		10,000
Prizes Paid	1,200		Match Expenses	3,500	
Match Expenses	1,500		Investments of Match Fund	6,000	
			Interest on Investments of		300
			Match Fund		
			Prizes Paid	1,900	

Question 4.

How are the following dealt with while preparing the final accounts of a club?

TRIAL BALANCE as at 31st March 2016

as at 31 March,2016		
Particulars	Dr.(₹)	Cr.(₹)
Match Fund		80,000
Match Fund Investments	72,000	
Match Fund Bank Balance	3,500	
Match Fund Investments Interest		2,880
Match Expenses	5,500	

Balance Sheet (Extract)

Liabilities		₹	Assets	₹
Match Fund	80,000		Match Fund Investments	72,000
Add : Interest on Match Fund	2,880		Match Fund Bank Balance	3,500
Less : Match Expenses	(5,500)	77,380		

Question 5.

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 2016:

Details	₹
Match Expenses (paid during the year 2015 - 16)	1,02,000
Match Fund (as on 31 st March, 2015)	24,000
Donation for Match Fund (Received during the year 2015-16)	40,000
Proceeds from the sale of match tickets (Received during the year 2015 - 16)	15,000

Solution:

Balance Sheet (Extract)					
Liabilities		₹	Assets	₹	
Match Fund	24,000				
Add : Donation For Match Fund	40,000				
Add : Proceed from Sale of Tickets	15,000				
Less: Match Expenses (Note)	(79,000)	NIL			

Income and Expenditure Account (Extract)

Dr.			Cr.
Expenditure	₹	Income	₹
To Match Expenses (Note)	23,000		

Note: The Total Match Fund is ₹79,000 (i.e. Its ₹24,000 + ₹40,000 + ₹15,000) whereas the total Match Expenses amounts to ₹1,02,000. It means that expenses of ₹79,000 will be met through the Fund and the remaining expenses of ₹23,000 (i.e., ₹1,02,000 - ₹79,000) will be debited to the Income and Expenditure Account.

Question 6.

Show how are the following items dealt with while preparing the final accounts for the year ended 31st March,2016 of a Not – For – Profit Organisation:

Case 1: Expenditure on construction of Pavilion is Rs.6,00,000. The construction work is in progress and has not yet completed. Capital Fund as at 31st March, 2015 is 20,00,000

Case 2: Expenditure on construction of Pavilion is Rs.6,00,000. The construction work is in progress and has not yet completed. Pavilion Fund as at 31st March 2015 is Rs.10,00,000 and capital Fund as at 31st March, 2015 is Rs.20,00,000. Case 3. Expenditure on construction of Pavilion is Rs.6,00,000. The construction work is in progress and has not yet

completed. Pavilion Fund as at 31st March, 2015 is Rs.10,00,000 and Capital Fund as at 31st March, 2015 is Rs.20,00,000. Donation Received for Pavilion on 1st Janurary,2016 is Rs.5,00,000 **Solution:**

Case 1

Balance Sheet (Extract) as on March 31,2015

Liabilities	₹	Assets	₹
Capital Fund	20,00,000	Pavilion Work - in - Progress	6,00,000

Case 2

Balance Sheet (Extract) as on March 31.2015

Liabilities		₹	Assets	₹
Pavilion Fund	10,00,000		Pavilion Work - in Progress	6,00,000
Less : Expenditure on Construction of Pavilion	(6,00,000)	4,00,000		
Capital Fund	20,00,000			
Add : Pavilion Work - in - Progress	6,00,000	26,00,000		

Case 3

Balance Sheet (Extract) as on March 31,2015

Liabilities		₹	Assets	₹
Pavilion Fund	10,00,000		Pavilion Work - in Progress	6,00,000
Less : Expenditure on Construction of Pavilion	(6,00,000)	4,00,000		
Capital Fund	20,00,000			
Add : Pavilion Work - in - Progress	6,00,000	26,00,000		

Question 7.

How is Entrance Fees dealt with while preparing the final accounts for the year ended 31st March, 2016 in each of the following alternatives cases?

Case 1. During the year 2015-16, Entrance Fees received was Rs.1,00,000.

Case 2. During the year 2015-16, Entrance Fees received was Rs.1,00,000. Out of this Rs.25,000 pertains to the year 2016 -17

Case 1

Income and Expenditure Account (Extract) for the year ended March 31, 2016

Dr.			Ci
Expenditure	₹	Income	₹
		By Entrance fees	1,00,000

Balance Sheet (Extract) as on March 31, 2016

Liabilitie	s	₹	Assets	₹
Capital Fund				
Add : Entrance Fees	1,00,000	1,00,000		

Case 2

Income and Expenditure Account (Extract)

Dr.				Cr.
	Expenditure	₹	Income	₹
			By Entrance fees (1,00,000 - 25,000)	75,000

Question 8.

In 2015 -16, the subscriptions received by the Jaipur Library were Rs.42,000. These subscriptions include Rs.1,400 received for 2014-15. On 31st March, 2016 subscriptions due but not received were Rs.1,000. What amount should be credited to Income and Expenditure Account for the year ended 31st March, 2016 as subscriptions? Solution:

> Income and Expenditure Account (Extract) for the year ended March 31, 2016

Dr

Dr.				Cr.
Expenditure	₹	Income		₹
		By Subscription	42,000	
		Less : Outstanding for 2014 -15	(1,400)	
		Add : Outstanding for 2015 - 16	1,000	41,600

Question 9.

Subscriptions received during the year ended 31st March,2016 are :

	₹	₹
For the year ended 31 st March,2015	160	
For the year ended 31 st March,2016	8,440	
For the year ended 31 st March,2017	320	8,920

There are ₹450 member, each paying an annual subscription of ₹20; ₹180 were in arrears for the year ended 31st March, 2015. Calculate amount of subscriptions to be credited to Income and Expenditure Account for the year ended 31st March,2016

Income and Expenditure Account (Extract) for the year ended March 31, 2016

Dr.

Expenditure	₹	Income	₹
		By Subscription (450 Members × ₹20 each)	9,000

Question 10.

In 2015-16, subscriptions received by King Club of Delhi were Rs.40,900 including Rs.500 fort 2014-15 and Rs.1,000 for 2016-17. At the end of 2015-16, subscriptions outstanding for 2015-16 were Rs.1,500. The subscriptions due but not received at the end of the previous year, i.e., 31st March, 2015 were Rs.800, while subscriptions received in advance on the same date were Rs.1,800.

Cr.

Calculate amount of subscriptions to be credited to Income and Expenditure Account for the- year ended 31st March, 2016. **Solution:**

Statement of Subscription	
for the year ended March 31, 2016	5

Particulars	₹
Subscription received during the year 2015 - 16	40,900
Add : Outstanding for 2015 - 16 (Current year)	1,500
Less : received for 2014 - 15 (Previous year)	(5,00)
Add : Advance received in 2014 - 15(Previous year)	1,800
Less : Advance received for 2016 - 17 (Next year)	(1,000)
Subscriptions to be credited to Income and Expenditure Account	42,700

Question 11.

From the following information, calculate amount of subscriptions to be credited to the Income and Expenditure Account for the year ended 31st March,2016

		٢
1 st April,2015	Subscriptions in Arrears	5,000
	Subscriptions Received in Advance	3,000
31 St March, 2016	Subscriptions in Arrears	2,500
	Subscriptions Received in Advance	7,000
Subscriptions received	during the year 2015 - 16 - ₹30,000	

Solution:

Statement of Subscription		
for the year ended March 31, 2016		

Particulars	₹
Subscription received during the year 2015 - 16	30,000
Less : Subscription - in - Arrears for 2014 - 15	(5,000)
Add : Subscription - in - Arrears for 2015 - 16	2,500
Add : Subscription - in - Advance for 2015 - 16	3,000
Less : Subscription - In advance for 2016 - 17	(7,000)
Subscriptions to be credited to Income and Expenditure Account	23,500

Question 12.

Calculate amount of subscriptions which will be treated as income for the year ended 31st March, 2016 for each of the following cases:

Case	Particulars	₹
1.	i. Subscriptions collected during the year 2015-16	2,50,000
	ii. Subscriptions in arrears for the year 2015-16	6,000
	iii. Subscriptions received in advance for the year 2016-17	5,000
2.	i. Subscriptions collected during the year 2015-16	49,000
	ii. Subscriptions for the year 2015-16 collected in 2014-15	3,000
	iii. Subscriptions unpaid for the year 2015 -16	2,000
3.	i. Subscriptions received during the year 2015-16	25,000
	ii. Subscriptions outstanding in the beginning of 2015 -16	3,000
	iii. Subscriptions not yet collected for 2015 -16	5,000
4.	i. Subscriptions received during the year 2015-16	80,000
	ii. Subscriptions outstanding in the beginning of 2015-16	5,000
	iii. Subscriptions not yet collected for 2015-16	8,000
	iv. Subscriptions for 2016 - 17 received in advance	2,000
5	i. Subscriptions received during the year 2015-16	90,000
	ii. Subscriptions outstanding at the end of 2014 - 15	5,000
	iii. Subscriptions received in advance on 31 st March,2015	3,000
	iv. Subscriptions received in advance on 31 st March,2015	4,000
	v. Subscriptions not yet collected for 2015-16	6,000

Solution:

Case 1

Statement of Subscription

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for the year ended March 31, 2016	
Particulars	₹
Subscriptions received during the year 2015 - 16	2,50,000
Add : Subscriptions -in -arrears for the year 2015 - 16	6,000
Less : Subscriptions received in advance for the year 2016 - 17	(5,000)
Subscriptions Income for the year 2015 - 16	2,51,000

Case 2

Statement of Subscription

for the year ended March 31, 2016	
Particulars	₹
Subscriptions received during the year 2015 - 16	49,000
Add : Subscriptions collected for 2015 - 16 in 2014 - 15	3,000
Add : Subscriptions unpaid for the year 2015 - 16	2,000
Subscriptions Income for the year 2015 - 16	54,000

Case 3

Statement of Subscription for the year ended March 31, 2016

for the year ended March 01,2010	
Particulars	₹
Subscriptions received during the year 2015 - 16	25,000
Less : Subscriptions outstanding in the beginning of 2015 - 16	(3,000)
Add : Subscriptions yet not collected for 2015 - 16	5,000
Subscriptions Income for the year 2015 - 16	27,000

Case 4

Statement of Subscription

for the year ended March 31, 2016	
Particulars	₹
Subscriptions received during the year 2015 - 16	80,000
Less : Subscriptions Outstanding in the beginning of 2015 - 16	(5,000)
Add : Subscriptions yet not Collected for 2015 - 16	8,000
Less : Subscriptions for 2016 - 17 received in advance	(2,000)
Subscriptions Income for the year 2015 - 16	81,000

Case 5

Statement of Subscription for the year ended March 31, 2016

Particulars	₹
Subscriptions received during the year 2015 - 16	90,000
Less : Subscriptions Outstanding at the end of 2014 - 15	(5,000)
Add : Subscriptions received in advance on Mar.31, 2015	3,000
Less : Subscriptions received in advance on Mar.31, 2015	(4,000)
Add : Subscriptions not yet collected for 2015 - 16	6,000
Subscriptions Income for the year 2015 - 16	90,000

Question 13.

There were 450 members in a club each paying an annual subscription of Rs.50. Rs.500 were in arrears as at 31st December, 2012. Subscriptions received during 2013 were Rs.22,300 including Rs.450, for 2012 and Rs.750 for the year 2014. Calculate amount of subscriptions in arrears as at 31st December, 2013 by preparing the Subscriptions Account.

Solution:

Subscriptions Account

Dr.			Cr.
Particulars	₹	Particulars	₹
To Subscriptions Outstanding (as on Dec 31, 2012)	500	By Bank (Subscriptions received)	22,300
To Advance Subscriptions (for 2014)	750	By Subscription Outstanding (as on Dec 31,2013) (Balancing Fig.)	1,450
To Income and Expenditure (450 Member ×₹ 50)	22,500		
	23,750	-	23,750
]	

Subscriptions in arrears as at 31st December, 2013

Subscriptions - in - arrears in 2013	1450
Less : Subscriptions still - in - arrears for 2012	(50)
Subscriptions - in - arrears for 2013	1,400

Question 14.

From the following particulars, calculate amount of subscriptions to be credited to the Income and Expenditure Account for the year ended 31st March 2016:

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		× *
a.	Subscriptions in arrears on 31 st March, 2015	500
b.	Subscriptions received in advance on 31 st March, 2015 for the year ended on 31 st March 2016	1,100
с.	Total subscriptions received during 2015-16 (including 400 for 2014 - 15, 1, 200 for 2016 - 17 and 300 for 2017 - 18	35,400
d.	Subscriptions outstanding for 2015-16	400

Solution:

Statement of Subscription for the year ended March 31, 2016

Particulars	₹
Subscriptions received during the year 2015 - 16	35,400
Less : Subscriptions-in-arrears received for 2014 - 15	(400)
Less : Subscriptions received-in-advance for 2016 - 17	(1,200)
Less : Subscriptions received-in-advance for 2017 - 18	(300)
Add : Subscriptions Outstanding for 2015 - 16	400
Add : Subscriptions received in 2014 - 15 for 2015 - 16	1,100
Subscriptions to be credited to Income and Expenditure Account	35,000

Question 15.

How are the following items relating to subscriptions shown in the Income and Expenditure Account for the year ended 31st March, 2015 and Balance Sheets as at 31st March, 2014 and 2015?

	マ
Subscriptions received during 2014 - 15	35,850
Subscriptions outstanding on 31 st March, 2014	3,000
Subscriptions received in Advance on 31 st March, 2014	2,250
Subscriptions received in advance on 31 st March, 2015	1,350
Subscriptions outstanding on 31 st March, 2015	3,750

(including 1,250 for 2013 - 14)

Solution:

Income and Expenditure Account (Extract) For the year ended March 31, 2015

Expenditure	₹	Income		₹
		By Subscriptions	35,850	
		Add: Outstanding at the end	3,750	
		Add: Advance in the beginning	2,250	
		Less: Outstanding in the beginning	(3,000)	
		Less: Advance at the end	(1,350)	37,500

Balance Sheet (Extract)

as on March 31,2014			
Liabilities	₹		₹
Subscriptions received in Advance	2,250	Subscriptions Outstanding	3,000

Balance Sheet (Extract)

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Liabilities	₹	Assets	₹
Subscriptions received in Advance	1,350	Subscriptions Outstanding	3,750

Question 16.

From the following information, calculate amount of subscriptions outstanding for the year 2015 - 16: A club has 200 members each paying an annual subscription of ₹1,000. The Receipts and Payments Account for the year showed a sum of ₹2,05,000 received as subscriptions. The Following additional information is provided :

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Subscriptions Outstanding on 31 st March,2015	30,000
Subscriptions Received in Advance on 31 st March,2016	40,000
Subscriptions Received in Advance on 31 st March, 2015	14,000

Solution:

Subscriptions Account

Dr.			Cr.
Particulars	₹	Particulars	₹
To Income and Expenditure (200 members ×₹100 each)	2,00,000	By Bank (Subscriptions Received)	2,05,000
To Outstanding Subscriptions in the beginning	30,000	By Advance Subscriptions in the beginning	14,000
To Advance Subscriptions at the end	40,000	By Outstanding Subscriptions at the end (Balancing Figure)	51,000
	2,70,000]	2,70,000

Question 17.

On the basis of information given below, calculate amount of medicines to be debited to the Income and Expenditure Account of Good Health Hospital for the year ended 31st March, 2016:

Particulars	1.4.2015	31.3.2015
	₹	₹
Stock of Medicines	1,75,750	1,44,550
Creditors for Medicines	15,06,900	18,20,700

Medicines purchased during the year ended 31st March, 2016 were ₹60,80,700.

Solution:

Statement of Medicine Consumed

during the year 2015 - 16		
Particulars	₹	
Medicine Purchased during the year 2015 - 16	60,80,700	
Add : Stock in the beginning (as on April 01,2015)	1,75,750	
Less : Stock at the end (as on March 31, 2016)	(1,44,650)	
Medicine to be debited to Income and Expenditure Account	61,11,800	

Question 18.

Calculate amount of medicines consumed during the year 2012 - 2013;

	7
Opening Stock of Medicines	10,000
Opening Creditors for Medicines	9,000
Cash Purchases of Medicines during the year	30,000
Closing Stock of Medicines	15,000
Closing Creditors of Medicines	13,000

Solution:

Statement of Medicine Consumed
For the year ending March 31, 2013

Particulars	₹
Cash Purchases of medicine during the year	30,000
Add : Opening Stock of Medicines	10,000
Less : Closing Stock of Medicines	(15,000)
Add : Closing Creditors of Medicines	13,000
Less : Opening Creditors of Medicines	(9,000)
Amount of Medicines Consumed during the year 2012 - 13	29,000

Question 19.

Calculate amount to be posted to the Income and Expenditure Account for the year ended 31st December, 2015:

i. Amount paid for stationery during the year 2015 - ₹540; Stock of Stationery in Hand on 31st December, 2015 - ₹25.

ii. Stock of Stationery in Hand on 1st January, 2015 - ₹150; Payment made for stationery during the year 2015 - `540; Stock of Stationery in Hand on 31st December, 2015 - ₹25.
iii.

	₹
Stock of Stationery on 1 st January,2015	150
Creditors for Stationery on 1 st January, 2015	100
Amount paid for Stationery during the year	540
Stock of Stationery on 31 st December, 2015	25

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Statement of Stationery Consumed at the end of December 31,2015

at the end of December 01,2015	
Particulars	₹
Amount paid for Stationery during the year 2015	540
Less : Closing Stock (as on December 31, 2015)	(25)
Amount of Stationery to be posted to Income and Expenditure Account	515
b.	

Statement of Stationery Consumed at the end of December 31,2015

Particulars	₹
Payment made for Stationery during the year 2015	540
Add :- Opening Stock (as on Jan, 2015)	150
Less : Closing Stock (as on Dec 31, 2015)	(25)
Amount of Stationery to be posted to Income and Expenditure Account	665

C.

Statement of Stationery Consumed at the end of December 31,2015

Particulars	₹	
Amount paid for Stationery during the year 2015	540	
Add : Opening Stock (as on Jan.01 2015)	150	
Less : Closing Stock (as on Dec. 31, 2015)	(25)	
Amount of Stationery to be posted to Income and Expenditure Account	565	

Question 20.

On the basis of the following information, calculate amount that will appear against the item 'Stationery Used' In the Income and Expenditure Account for the year ended 31st March, 2014:

	₹
Stock of Stationery on 1 st April,2013	12,000
Creditors for Stationery on 1 st April, 2013	25,600
Amount paid for Stationery during the year ended 31 st March, 2014	L,40,000
Stock of Stationery on 31 st March, 2014	23,200
Creditors of Stationery as at 31 st March, 2014	24,000

Solution:

Statement of Stationery Consumed for the year ended March 31, 2014

Particulars	₹
Amount paid for Stationery during the year 2013 - 14	1,40,000
Add : Opening Stock (as on April 01, 2013)	12,000
Less : Closing Stock (as on March 31,2014)	(23,200)
Add : Creditors at the end (as on March 31,2014)	24,000
Less : Creditors in the beginning (as on April 01,2013)	(25,600)
Amount of Stationery be shows in Income and Expenditure Account	

Question 21.

How will you deal with the following case while preparing the final accounts of a non - profit organization?

	1 st April, 2015	31 st March, 2016
	₹	₹
Stock of Stationery	600	100
Creditors of Stationery	400	260
Advance paid for Stationery	40	60
Amount paid for stationery during 2015 - 16	was₹2,160.	

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Solution:

Particulars	₹
Amount paid for Stationery during 2015 - 16	2,160
Add : Opening Stock (as on April 01,2015)	600
Less : Closing Stock (as on March 31,2016)	(100)
Less : Creditors in the beginning (April 01,2015)	(400)
Add: Creditors at the end (March 31,2016)	260
Add: Advance in the beginning (April 01,2015)	40
Less : Advance at the end (March 31,2016)	(60)
Amount to be posted to Income and Expenditure Account	2,500

Income and Expenditure Account for the year ended March 31,2016 (Extract)

Dr.			Cr.
Expenditure	₹	Income	₹
To Stationery Consumed	2,500		

Balance Sheet as on April 01,2015 (Extract)

as on April 01,2015 (Extract)			
Liabilities	₹	Assets	₹
Creditors for Stationery	400	Stock of Stationery	600
		Advance Paid for Stationery	40

Balance Sheet as on March 31,2016 (Extract)

Liabilities	₹	Assets	₹
Creditors for Stationery	260	Stock of Stationery	100
		Advance Paid for Stationery	60

Question 22.

Calculate what amount will be posted to the Income and Expenditure Account for the year ended 31st March, 2016 ₹

Stock of Stationery on 1 st April,2015	3,000
Creditors for Stationery on 1 st April, 2015	2,000
Advances paid for Stationery carried forward from 2014 - 15	200
Amount paid for Stationery during the year 2015 - 16	10,800
Stock of Stationery on 31 st March, 2016	500
Creditors for Stationery on 31 st March, 2016	1,300
Advance paid for Stationery on 31 st March, 2016	300

Solution:

Statement of Stationery for the year ended March 31,2016

Particulars	₹
Amount paid for Stationery during the year 2015 - 16	10,800
Add : Opening Stock (as on Apr.01.2015)	3,000
Less : Closing Stock as on Mar.31.2015	(500)
Less: Creditors in the beginning (as on Apr. 01, 2015)	(2,000)
Add: Creditors at the end (as on Mar. 31, 2016)	1,300
Add: Advance in the beginning (as on Apr. 01, 2015)	200
Less: Advance at the end (as on Mar. 31, 2016)	(300)
Amount to be posted to Income and Expenditure Account	12,500

Question 23.

How are the following dealt with while preparing the final Accounts for the year ended 31st March, 2015 RECEIPTS AND PAYMENTS ACCOUNT (AN EXTRACT)

for the year ended 31st March, 2015

Dr.	,	-	Cr.
Receipts	₹	Payments	₹
		By Payment for Sports Materials	1,40,000

Liabilities	₹	Assets	₹
Creditors of Sports Materials	6,000	Sports Materials	8,000

Additional Information :

Sports Materials in hand on 31st March, 2015 - ₹22,000

Income and Expenditure Account for the year ended March 31,2015 (Extract)

Dr.				Cr.
Expenditure		₹	Income	₹
To Sports : Material	1,40,000			
Add : Opening Stock	8,000			
Less: Closing Stock	(22,000)			
Less: Creditors in the beginning	(6,000)	1,20,000		

Balance Sheet ь. ch 31 2015 /E

as on	March 31,20	15 (Extract)	
Liabilities ₹ Assets		Assets	₹
		Stock of Sport Materials	22,000

Question 24.

How are the following dealt with while preparing the final accounts for the year ended 31st March, 2016? RECEIPTS AND PAYMENTS ACCOUNT (AN EXTRACT) for the year ended 31st March, 2016

Dr.			Cr.
Receipts	₹	Payments	₹
		By Payment for Medicines	1,50,000

Additional Information

	As at 1 st April,	As at 31 st March,	
	2015	2016	
	₹	₹	
Stock of Medicines	50,000	75,000	
Creditors for Medicines	40,000	60,000	

Income and Expenditure Account for the year ended March 31,2016(Extract)

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Dr.

Expenditure		₹	Income	₹
To Medicine	1,50,000			
Add : Opening Stock	50,000			
Less: Closing Stock	(75,000)			
Less : Creditors in the beginning	(40,000)			
Add : Creditors at the end	60,000	1,45,000		

Balance Sheet as on March 31,2015 (Extract)

Liabilities	₹	Assets	₹
Creditors for Medicines	40,000	Stock of Medicines	50,000

Balance Sheet as on March 31,2016 (Extract)

Liabilities	₹	Assets	₹
Creditors for Medicines	60,000	Stock of Medicines	75,000

Question 25.

How are the following dealt with while preparing the final accounts of a sports club for the year ended 31st March, 2016? RECEIPTS AND PAYMENTS ACCOUNT

for the year ended 31st March, 2016

1	or the year v	cifucu 515t March, 2010		
Dr.				Cr.
Receipts	₹	Payments	;	₹
To Sales of Sports Materials	26,000	By Creditors for Sports N	/laterials	61,000
(Book value ₹ 20,000)		By Cash purchased Sport	10,000	
Additional Information:				
	A	s of 31st March, 2015 (₹)	As at 31st Mar	ch, 2016 (₹)
Sports Materials		20,000		25,000
Creditors for Sports Materials	5	7,000		15,000

Income and Expenditure Account (Extract) for the year ended March 31, 2016

Dr.				Cr.
Expenditure		₹	Income	₹
To Payment for Sports Material	71,000		By Profit on Sale of Sports Material	6,000
Add: Opening Stock	20,000		(26,000 - 20,000)	
Less: Closing Stock	(25,000)			
Less: Creditors in the beginning	(7,000)			
Add: Creditors at the end	15,000			
Less: Book Value of Material Sold	(20,000)	54,000		

Balance Sheet (Extract)

as on March 31, 2015

Liabilities	₹	Assets	₹
Creditors for Sport Materials	7,000	Stock of Sport Materials	20,000

Balance Sheet (Extract)

as on March 31, 2016

Liabilities	₹	Assets	₹
Creditors for Sport Materials	15,000	Stock of Sport Materials	25,000

Question 26.

From the following information of a Not-for -Profit Organisation Show the 'Sports Material' item in the Income and Expenditure for the year ended 31st March, 2016 and Balance Sheets as at 31st March, 2015 and 31st March 2016 :

Particulars	31.3.2015	31.3.2016
	₹	₹
Stock of Sports Materials	6,200	4,800
Creditors for Sports Materials	9,800	7,200
Advance to Suppliers for Sports Materials	11,000	19,000

Payment to suppliers for Sports Materials during the year was ₹1,02,000. There was no cash purchases made.

Solution:

Extract of Income and Expenditure Account for the year ended March 31,2016 (Extract)

Cr.

Expenditure	₹	Income	₹
To Sports Material Consumed	92,800		

Balance Sheet

as on March 2015 (Extract)

Liabilities	₹	Assets	₹
Creditors of Sports Materials	9,800	Stock of Sports Materials Advance paid for Sports Materials	6,200 11,000

Balance Sheet as on March 2016 (Extract)

Liabilities	₹	Assets	₹
Creditors of Sports Materials	7,200	Stock of Sports Materials	4,800
		Advance paid for Sports Materials	19,000

Working Note

Calculation of Sports Material Consume

Particulars	
Sports Material	1,02,000
Add : Opening Stock	6,200
Less : Closing Stock	(4,800)
Less: Creditors in the beginning	(9,800)
Add : Creditors at the end	7,200
Less : Advance at the end	(19,000)
Add : Advance in the beginning	11,000
	92,800

Alternatively : Sports Material consumed can also be calculated as :

Creditors for Sports Material Account

Dr.			Cr.
Expenditure	₹	Income	₹
To Balance b/d (Advance in the beginning)	11,000	By Balance b/d (Creditors in the beginning)	9,800
To Bank A/c (Amount Paid for stationery)	1,02,000	By Purchase A/c (Balancing Fig.)	91,400
To Balance c/d (Creditors at the end)	7,200	By Balance c/d (Advance at the end	19,000
	1,20,200		1,20,200

Sports Material Consumed

= Opening Stock + Purchases - Closing Stock

= 6,200 + 91,400 - 4,800

=₹92,800

Question 27.

The book value of furniture on 1st April, 2015 is Rs.6,000. Half of this furniture is sold for Rs.2,000 on 30thSeptember, 2015. Depreciation is to be charged on furniture @ 10% p.a. Calculate loss on sale of furniture. Show how on sale and depreciation

Dr.

on furniture will be shown in the Income and Expenditure Account for the year ended 31st March, 2016. **Solution:**

Furniture Account

Dr.						Cr.
Date	Particulars		₹	Date	Particulars	₹
2015				2015		
Apr 01	To Balance b/d			Sep 30	By Depreciation A/c (Furniture I) (6 Months)	150
	(Furniture I)	3,000				
	(Furniture II)	3,000	6,000			
	-			Sep 30	By Bank A/c (Sale) (Furniture I)	2,000
				Sep 30	By Income and Expenditure A/c (Loss on Sale)	850
				2016 Mar 31	By Depreciation A/c (Furniture I) (for whole year)	300
					By Balance c/d (3,000 - 300)	2,700
			6,000			6,000

Income and Expenditure Account for the year ended March 31, 2016 (Extract)

Dr. Cr.					
Expenditure	₹	Income	₹		
To Depreciation on Furniture (150 + 300)	450				
To Loss on Sale of Furniture	850				

Working Note :

Calculation of Profit or Loss on Sale of Furniture

Particulars	₹
Book Value of Furniture Sold as on April 01,2015	3,000
Less : Depreciation (For 6 Months) (3,000 × 10% × 6/12)	(150)
Book Value of Furniture as on Sept. 30, 2015	2,850
Less : Sale Value	(2,000)
Loss on Sale of Furniture	850

Question 28.

Delhi Youth Club has furniture at a value of Rs.2,20,000 in its book on 31st March,2015.. It sold old furniture, having book value of Rs.20,000 as at 1st April, 2015 at a loss of @20% on 31st December, 2015. Furniture is to be depreciated @10% p.a. Furniture costing Rs.1,50,000 was also purchased on 1st October, 2015. Prepare Furniture Account for the year ended 31st March, 2016

Furniture Account

Dr.							Cr.
Date	Particulars		₹	Date	Particulars		₹
2015				2015			
Apr 01	To Balance b/d	i. 2,00,000		Dec 31	By Depreciation A/c ii. (9 m)		1,500
		ii. 20,000	2,20,000				
Oct 01	To Bank A/c (iii)		1,50,000	Dec 31	By Bank A/c (Sale ii.)		14,800
					By Income and Expenditure A/c (Loss on Sale)		3,700
				2016			
				Mar 31	By Depreciation A/c	i.20,000	
						ii.7,500(6m)	27,500
				Mar 31	By Balance c/d	i. 1,80,000	
						ii. 1,42,500	3,22,500
			3,70,000				3,70,000

Working Note :

Particulars	₹
Book Value of Furniture (i) as on April 01.2015	20,000
Less : Depreciation (for 9 months) [20,000 × 10% × 9/12]	(1,500)
Book Value on December 31, 2015	18,500
Less: Loss on Sale of Furniture (18,500 × 20%)	(3,700)
Sale value of Furniture	14,800

Question 29.

In 2015 - 16, salaries paid amounted to 20,400. Ascertain the amount chargeable to the Income and Expenditure Account for the year ended 31st March, 2016 from the following additional information:

	× *
Prepaid Salaries on 31 st March, 2015	2,400
Prepaid Salaries on 31 st March,2016	1,200
Outstanding Salaries on 31 st March, 2015	1,800
Outstanding Salaries on 31 st March, 2016	1,500

Solution:

Statement of Salaries for the year ended March 31, 2016	
Particulars	₹
Amount paid for Salaries	20,400
Add : Prepaid Salaries as on March 31,2015	2,400
Less : Prepaid Salaries as on March 31,2016	(1,200)
Less : Outstanding Salaries as on March 31,2015	(1,800)
Add : Outstanding Salaries as on March 31,2016	1,500
Salaries chargeable to Income and Expenditure Account	21,300

Question 30.

During 2015 - 16, the miscellaneous expenses paid by a Young India Club were ₹6,500. Find out the expenses chargeable to Income and Expenditure Account for the year ended 31st March, 2016.

Additional Information	31 st March,2015	31 st March,2016
	₹	₹
Prepaid Expenses	600	800
Outstanding Expenses	1,000	1,200

Statement of Miscellaneous Expenses for the year ended March 31,2016

Particulars	₹
Amount Paid for Miscellaneous Expenses during the year 2015 - 16	6,500
Add : Prepaid Expenses as on March 31,2015	600
Less : Prepaid Expenses as on March 31,2016	(800)
Add : Outstanding Expenses as on March 31,2015	(1,000)
Less : Outstanding Expenses as on March 31,2016	1,200
Miscellaneous Expenses chargeable to Income and Expenditure Account	6,500

Question 31.

How are the following items with while preparing Income and Expenditure Account of a club for the year ended 31st March, 2016?

	1 st April,2015	31 st March,2016
	₹	₹
Outstanding Locker Rent	460	630
Advance Locker Rent	300	400
Locker Rent received during the year 2015 - 16 - ₹5,200		

Solution:

Income and Expenditure Account (Extract)

Dr. Cr. Expenditure ₹ ₹ Income By Locker Rent Received 5,200 Add : Outstanding at the end 630 300 Add : Advance in the beginning Less : Outstanding in the beginning (460) (400) 5,270 Less : Advance at the end

Question 32.

Prepare Income and Expenditure Account for the year ended 31st March,2016 from the following: RECEIPTS AND PAYMENTS ACCOUNT

Dr.			Cr.
Receipts	₹	Payments	₹
To opening Balance	1,800	By Salaries	4,800
To Subscriptions	9,000	By Rent	500
To Sale of Investments	2,000	By Stationery	200
To Sale of Old Furniture	300	By Defence Bonds	3,000
(Book Value ₹400)			
To Donations	100	By Furniture	2,000
		By Bicycle	300
		By Balance c/d	2,400
	13,200		13,200

Dr.

Income and Expenditure Account

Cr.

Cr.

Expenditure	₹	Income	₹
To Salaries	4,800	By Subscriptions	9,000
To Rent	500	By Donation	100
To Stationery	200		
To Loss on Sale of Old Furniture	100		
To Surplus (Balancing Fig.)	3,500		
	9,100		9,100

Question 33.

From the following Receipts and Payments Account, prepare Income and Expenditure Account for 2013: RECEIPTS AND PAYMENTS ACCOUNT

Dr.			Cr.
Receipts	Amount	Payments	Amount
	₹		₹
To Balance as at 1 st January,2013		By Salaries	3,500
Cash	550	By Rent	1,200
Bank	2,800	By Printing and Stationery	190
To Subscriptions	3,900	By Postage, etc	130
including (₹200 for 2012 and ₹150 for 2014)		By Steel Almirahs	350
To Investments	850	By Defence Bonds	1,000
To Sale of Furniture	600	By Cash Balance (31 st December, 2013)	970
To Sale of Old Newspapers	40	By Bank Balance (31 st December,2013)	2,500
To Entrance Fees	100		-
To Life Membership Fees	1,000		
-			
	9,840		9,840

Solution:

Income and Expenditure Account for the year ended December 31,2013

Dr.

.Expenditure	₹	Income		₹
To Salaries	3,500	By Subscriptions	3,900	
To Rent	1,200	Less : Outstanding in 2012	(200)	
To Printing and Stationery	190	Less : Advance for 2014	(150)	3,550
To Postage	130	By Sale of Old Newspapers		40
		By Entrance Fees		100
		By Deficit (Balancing Fig.)		1,330
	5,020			5,020

Question 34.

Convert the following Receipts and Payments Account of Delhi Nursing Society for the year ended 31st March,2016 into the Income and Expenditure Account: RECEIPTS AND PAYMENTS ACCOUNT

Dr.			Cr.
Receipts	₹	Payments	₹
To Balance at Bank on 1 st April,2015 To Subscriptions To Fees from Non - Members To Municipal Grant To Donations for Building Fund To Interest	20,100 11,150 2,700 10,000 15,600 380	By Salaries of Nurses By Board, Laundry and Domestic Help By Rent, Rates and Taxes By Cost of Car By Expenses of Car By Drugs and Incidental Expenses By Balance c/d	6,560 3,800 2,000 20,000 8,400 6,700 12,470
		- /	
	59,930		59,930

A donation of ₹1,000 received for Building Fund was wrongly included in the Subscriptions Account. A bill of medicines purchased during the year amounted to ₹1,280 was outstanding.

Solution:

Books of Delhi Nursing Society Income and Expenditure Account for the year ended March 31,2016

Dr.

Expenditure		₹	Income		₹
To Salaries of Nurses		6,560	By Subscriptions	11,150	
To Board Laundry and Domestic Help		3,800	Less : Donation for Building	(1,000)	10,150
To Rent Rates and Taxes		2,000	By Fess from Non - members		2,700
To Expenses of Car		8,400	By Municipal Grant		10,000
To Drugs and Incidental	6,700		Interest		380
Add : Outstanding Expenses	1,280	7,980			
			By Deficit (Balancing Fig.)		5,510
		28,740			28,740

Question 35.

Following is the Receipts and Payments Account of You Bee Forty Club for the year ended 31st March,2015 RECEIPTS AND PAYMENTS ACCOUNT

DI			CI
Receipts	₹	Payments	₹
To Balance b/d	15,000	By Salaries and Wages	16,000
To Subscriptions		By Office Expenses	3,500
2013 - 14		By Office Equipments	34,000
2014 - 15	6,000	By Telephone Charges	2,400
To Donations	5,000	By Electricity Charges	3,200
To Entrance Fees	8,000	By Travelling Expenses	6.500
		By Balance c/d	3,400
	69,000		69,000

a. Outstanding Subscriptions for 2014 - 15 - ₹5,500.

b. Outstanding Salaries and Wages - ₹4,000

c. Depreciate Sports Equipment by 25%

prepare Income and Expenditure Account of the Club from the above particulars

Cr.

Books of You Bee Forty Club Income and Expenditure Account for the year ended March 31,2015

Dr.					Cr.
Expenditure		₹	Income		₹
To Salaries and Wages	16,000		By Subscriptions	35,000	
Add : Outstanding	4,000	20,000	Add : Outstanding for 2014 - 15	5,500	40,500
To Office Expenses		3,500	By Donations		5,000
To Telephone Charges		2,400	By Entrance Fees		8,000
To Electricity Charges		3,200			
To Travelling Expenses		6,500			
To Depreciation on Sports To Equipments (34,000 × 25%)		8,500			
To Surplus (Balancing Fig.)		9,400			
		53,500			53,500

Question 36.

From the following Receipts and Payments Account of Jaipur Sports Club, Prepare Income and Expenditure Account for the year ended 31st March,2016:

RECEIPTS AND PAYMENTS ACCOUNT for the year ended 31st March, 2016

Dr				Cr
Receipts		₹	Payments	₹
To Balance b/d		20,000	By Rent	6,000
To Entrance Fees 2014 - 15	1,000	(000	(including `1,500 for 2014 - 15) By Insurance Premium (Including ₹1,500 for 2016 - 17)	6,000
2015 - 10 To Subscriptions	5,000	6,000	By Sports Materials	5 000
2014 - 15	1,000		by Sports Materials	5,000
2015 - 16 (90%) 2016 - 17 To Life Membership Fees	9,000 500	10,500	By Furniture	6.000
To Donations To Donation for Tournament		12,000 5,000	(Purchased on 31 st March,2016) By 8% Fixed Deposit (made on 1 st October,2015)	-,
To Subscriptions for Governor's Party		1,500	By Tournament Expenses	1,000
To Interest on 8% Fixed Deposit		240	By Books	2,000
To Sale of Old Sports Materials		30	By Printing and Stationery	2,000
To Sale of Old Sports Materials (Book Value ₹120)		50	By Balance c/d	18,000
To Locker Rent (including₹60 for 2014 - 15)		680		
		58,000		58,000

Income and Expenditure Account for the year ended March 31,2016

Dr.

	<	Income		₹
6,000		By Entrance Fees (2015 - 16)		5,000
(1,500)	4,500	Subscription 2015 - 16	9,000	
		Add : Outstanding for 2015 -16 (9,000 × 10/9)	1,000	10,000
6,000		By Donations		12,000
(1,500)	4,500	By Interest on Fixed Deposit	240	
	2,000	Add : Accrued Interest	240	480
	70	By Sale of Old Sports Materials		30
	17,060	By Locker Rent	680	
		Less : For 2014 - 15	(60)	620
	28,130		E	28,130
	6,000 (1,500) 6,000 (1,500)	6,000 (1,500) 4,500 (1,500) 4,500 (1,500) 4,500 2,000 70 17,060 28,130	6,000 By Entrance Fees (2015 - 16) (1,500) 4,500 Subscription 2015 - 16 Add : Outstanding for 2015 - 16 Add : Outstanding for 2015 - 16 (9,000 × 10/9) By Donations (1,500) 4,500 By Interest on Fixed Deposit 2,000 Add : Accrued Interest 70 By Sale of Old Sports Materials 17,060 By Locker Rent Less : For 2014 - 15	6,000 By Entrance Fees (2015 - 16) (1,500) 4,500 Subscription 2015 - 16 9,000 Add : Outstanding for 2015 - 16 1,000 1,000 (9,000 × 10/9) By Donations 240 (1,500) 4,500 By Interest on Fixed Deposit 240 2,000 Add : Accrued Interest 240 70 By Sale of Old Sports Materials 17,060 By Locker Rent 680 Less : For 2014 - 15 (60)

Working Note :

Calculation of Interest Accrued on investment

Interest on Investments for 6 Months (12,000 × 8% × 6/12)	480
Less : Interest Received	(240)
Accrued Interest on Investments	240

Question 37.

Following is the Receipts and Payments Account of Delhi Football Club for the year ended 31st March, 2016 :

Dr.			Cr.
Receipts	₹	Payments	₹
To Balance b/d	18,000	By Building	4,00,000
To Donations for Building	5,00,000	By Match Expenses	90,000
To Life Membership Fees	40,000	By Furniture	1,21,000
To Match Fund	80,000	By 10 % Investments	1,60,000
		(Purchased on 1 st July, 2015)	
To Subscriptions	52,000	By Salaries	70,000
To Locker Rent	4,000	By Insurance	3,500
To Interest on Investments	10,000	By Sundry Expenses	4,700
To Sale on Furniture	1,00,000	By Balance c/d	4,800
(Book Value `80,000)			
To Entrance Fees	50,000		
	8,54,000		8,54,000

RECEPITS AND PAYMENTS ACCOUNT for the year ended 31st March 2016

Additional Information :

i. During the year 2015 - 16, the club had 550 members and each paying an annual subscription of ₹100.

ii. Donations for Building include 10% general donations

iii. Salaries Outstanding as at 1st April, 2015 were ₹10,000 and as at 31st March, 2016 were ₹5,000

Prepare Income and Expenditure Account of the Club for the year ended 31st March, 2016

Cr.

Books of Delhi Football Club Income and Expenditure Account for the year ended March 31,2016

Dr

Expenditure		₹	Income		₹
To Salaries	70,000		By Subscriptions (550 members × ₹100 each)		55,000
Add : Outstanding at the end	5,000		By Entrance Fees		50,000
Less : Outstanding in the end beginning	(10,000)	65,000			
To Insurance		3,500	By General Donation (5,00,000 × 10%)		50,000
To Sundry Expenses		4,700	By Locker rent		4,000
To Match Expenses	90,000		By Profit on Sale of Furniture (1,00,000 - 80,000)		20,000
Less : Match Fund	(80,000)	10,000	By Interest on Investment	10,000	
To Surplus (Balancing Figure)		1,07,800	Add : Accrued Interest	2,000	12,000
		1,91,000			1,91,000

Calculation of Interest Accrued on Investment

Interest on Investment for 9 Months (1,60,000 × 10% × 0(12)	12,000
(12) Less : Interest Received	(10,000)
Accrued Interest on Investment	2,000

Question 38.

Following is the summary of cash Transactions of the Royal Club for the year ended 31st March, 2016: RECEIPTS AND PAYMENTS ACCOUNT

Dr.			Cr.
Receipts	₹	Payments	₹
To Balance from last year	3,190	By Rent	1,680
To Entrance Fees	2,550	By wages	2,450
To Subscriptions	16,000	By Electricity Charges	720
To Donations	1,650	By Honorarium	4,350
To Life Membership Fees	2,500	By Books	2,130
To Profit on Entertainment	560	By Office Expenses	4,500
		By 3% Fixed Deposit	8,000
		(1 st October,2015)	
		By Cash at Bank	2,420
		By Cash in Hand	200
		·	
	26,450		26,450

In the beginning of the year, the Club possessed Books worth ₹20,000 and Furniture worth ₹8,500. Ordinary Subscriptions in arrears in the beginning of the year amounted to ₹350 and at the end of the year ₹450 and six months Rent ₹600 was due both in the beginning of the year and at the end of the year. Prepare Income and Expenditure Account of the Club for the year ended 31st March, 2016 and its Balance Sheet as at that date after writing off ₹500 and ₹1,130 on Furniture and Books respectively.

Solution:

Cr

Books of Royal Club Income and Expenditure Account

for the year ended March 31,2016

Dr.					Cr.
Expenditure		₹	Income		₹
To Rent and Taxes	1,680		By Entrance Fees		2,550
Less : Outstanding Rent in the beginning	(600)		By Subscriptions	16,000	
Add: Outstanding Rent at the end	600	1,680	Less : Outstanding in the beginning	(350)	
			Add : Outstanding at the end	450	
To Wages		2,450	By Donations		1,650
To Lighting Charge		720	By Profit on Entertainment		560
To Lecturer's Fee		4,350	By Interest Accrued on Fixed Deposits (8,000 × 3% × 6/12)		120
To Office Expenses		4,500			
To Depreciation on :					
Books	1,130				
Furniture	500	1,630			
To Surplus (Balancing Figure)		5,650			
		20,980			20,980

Balance Sheet n April 01, 2015

as on April 01, 2015						
Liabilities	₹	Assets	₹			
Outstanding Rent	600	Books	20,000			
Capital Fund (Balancing Fig.)	31,440	Furniture	8,500			
		Subscriptions Outstanding	350			
		Cash and Bank	3,190			
	32,040		32,040			

Balance Sheet as on March 31,2016

Liabilities		₹	Assets		₹
Rent Outstanding		600	Subscriptions Outstanding		450
Capital Fund	31,440		Books	20,000	
Add : Life Membership Fees	2,500		Add : Purchases	2,130	
Add : Surplus	5,650	39,590	Less : Deprecation	(1,130)	21,000
			Furniture	8,500	
			Less : Depreciation	(500)	8,000
			Fixed Deposits	8,000	
			Add : Accrued interest	120	8,120
			Cash at Bank		2,420
			Cash in hand		200
		40,190			40,190

Question 39.

From the following Receipts and Payments Account of New City Club and from the information supplied, prepare Income and Expenditure Account for the year ended 31st March, 2016 and Balance Sheet as at that date

RECEIPTS AND PAYMENTS ACCOUNT for the year ended 31st March,2016

Dr.				Cr.
Receipts		₹	Payments	₹
To Balance b/d		700	By Salaries	2,800
To Subscriptions:			By General Expenses	600
2014 - 15	500		By Electricity Charges	400
2015 - 16	2,000		By Books	1,000
2016 - 17	400	2,900	By Newspapers	800
To Rent		1,400	By Balance c/d	400
(Received from the Use of			-	
Hall)				
To Profit from Entertainment		800		
To Sale of Old Newspapers		200		
		6,000		6,000

a. The club has 50 members each paying an annual subscription of ₹50. Subscriptions Outstanding on 31st March, 2015 were ₹600.

b. On 31st March, 2016, Salaries Outstanding amounted to ₹200. Salaries paid in 2015 - 16 included ₹600 for the year 2014 - 15

c. On 1st April, 2015, The Club Owned Building Valued at ₹20,000; Furniture ₹2,000 and Books ₹2,000.

d. Provide depreciation on Furniture at 10%

Solution:

In the books of New City Club Income and Expenditure Account for the year ended March 31,2016

Dr.				Cr.
Expenditure		₹	Income	₹
To Salaries	2,800		By Subscription (50 members × ₹50 each)	2,500
Add : Outstanding for 2016	200		By Rent Received from the use of hall	1,400
Less: Outstanding for 2015	(600)	2,400	By Profit from Entertainment	800
To General Expenses		600	By Sale of Old Newspapers	200
To Electricity Charges		400		
To Newspaper		800		
To Depreciation on Furniture (2,000 × 10%)		200		
To Surplus (Balancing Figure)		500		
		4,900		4,900

Balance Sheet

	as on April 01,2015						
Liabilities	₹	Assets	₹				
Salaries Outstanding	600	Subscriptions Outstanding	600				
Capital Fund (Balancing Fig.)	24,700	Building	20,000				
		Furniture	2,000				
		Books	2,000				
		Cash at Bank	700				
	25,300		25,300				
]					

Balance Sheet 31,2016

	as 011March 51,2010				
Liabilities		₹	Assets		₹
Advance Subscription		400	Subscription Outstanding		
Salaries Outstanding		200	For 2015 - 16 (2,500 - 2,000)	500	
Capital Fund	24,700		For 2014 - 15 (600 - 500)	100	600
Add : Surplus	500	25,200	Building		20,000
			Furniture	2,000	
			Less : 10 % Depreciation	(200)	1,800
			Books	2,000	
			Add : Purchases	1,000	3,000
			Cash and Bank		4,000
		25,800			28,800

Question 40.

Following particulars relate to Madura Club for the year ended 31st December 2012: **RECEIPTS AND PAYMENTS ACCOUNT**

Dr.				Cr.
Receipts		₹	Payments	₹
To Balance b/d		60,000	By Salaries	1,24,500
To Subscriptions:			By Stationery	24,000
Arrear	2,400		By Rates and Taxes	36,000
Current	1,26,600		By Telephone	6,000
Advance	4,800	1,33,800	By Investments	75,000
To Profit from Canteen		90,000	By Advertisements	10,500
To Miscellaneous Receipts		4,500	By Postage	10,000
To Sale of Old Newspapers		11,200	By Sundries	35,000
To Dividends		48,500	By Balance c/d	27,000
		3,48,000		3,48,000

You are required to prepare Income and Expenditure Account and Balance Sheet after making the following adjustments: a. There are 450 members each paying an annual subscription of ₹300, ₹2,700 being in arrears for 2011 in the beginning of this

year. b. Stock of Stationery on 31st December, 2011 was ₹3,000 and on 31st December, 2012 was ₹5,400. c. Cost of Building is ₹6,00,000. Depreciate it at 5%.

Solution:

Books of Madhura Club Income and Expenditure Account For the year ended December 31,2012

Dr.				Cr.
Expenditure		₹	Income	₹
To Salaries		1,24,500	By Subscriptions (450 members ×₹300)	1,35,000
To Stationery	24,000		By Profit from Canteen	90,000
Add : Opening Stock	3,000		By Miscellaneous Receipts	4,500
Less : Closing Stock	(5,400)	21,600	By Sale of old Newspapers	11,200
To Rates and Taxes		36,000	Dividends	48,500
To Telephone		6,000		
To Advertisements		10,500		
To Postage		10,000		
To Sundries		35,000		
To Depreciation on Building		30,000		
To surplus (Balancing fig.)		15,600		
		2,89,500		2,89,500
]	

	Balance Sł as on January (neet)1, 2012	
Liabilities	₹	Assets	₹
Capital Fund (Balancing Fig.)	6,65,700	Subscriptions Outstanding	2,700
		Stationery	3,000
		Building	6,00,000
		Cash and Bank	60,000
	6.65.700		6.65.700

Balance Sheet as on December 31, 2012

Liabilities		₹	Assets		₹
Advance Subscriptions		4,800	Subscriptions Outstanding for 2012 (1,35,000 - 1,26,600	8,400	
Capital Fund	6,65,700		For 2011 (2,700 - 2,400)	300	8,700
Add : Surplus	15,600	6,81,300	Building	6,00,000	
			Less : 5% Depreciation	(30,000)	5,70,000
			Stock of stationery		5,400
			Investments		75,000
			Cash and Bank		27,000
		6,86,100			6,86,100

Question 41.

Modern Club's Balance Sheet as at 1 st April, 2015 was as under:

Liabilities	₹	Assets	₹
Subscription in Advance	600	Sports Equipments	5,000
Salaries Unpaid	1,100	Grounds	12,000
Capital Fund	20,000	Billiards Tables	6,000
Tournament Fund	6,000	Subscription Outstanding	800
		Cash and Bank Balance	3,900
	27,700		27,700

The Receipts and Payments Account for the year ended 31 st March, 2016 was:

RECEIPTS AND PAYMENTS ACCOUNT

Dr.			Cr.
Receipts	₹	Payments	₹
To Opening Balance	3,900	By Wages and Salaries	6,000
To Subscriptions	18,100	By Upkeep of Grounds	1,000
To Sale of Old Materials	150	By Stationery	1,500
To Sale of Sports Equipment	600	By Audit Fees	200
(costing ₹1,000)		By Expenses on Teams	6,500
To Entrance Fees	200	By Sports Equipments	2,000
To Life Membership Fee	5,000	By 5% Investment	4,000
To Donations for Tournament	2,000	(On 1 st October, 2015)	
		By Cash and Bank Balances	8,750
	29,950		29,950

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

Income and Expenditure Account for the year ended March 31, 2016

Dr.						
Expenditure		Rs.	Income		Rs.	
To Loss on Sale of Sports Material (1,000 - 600) To Wages and Salaries Add: Outstanding in 2015-16 Less: Outstanding in 2014-15 To Stationery To Audit Fee To Expenses on Terms To Depreciation on Billiards Tables (6,000×10%) To Consumption of Sports Equipments (5,000 + 2,000 - 1,000 - 4,500) To Upkeep of Grounds To Surplus (Balancing Figure)	6,000 600 (1,100)	Rs. 400 5,500 1,500 200 6,500 600 1,500 1,000 1,300	By Subscription Add: Subscriptions Outstanding for 2015-16 Less: Subscription Outstanding for 2014-15 Add: Advance received for 2015-16 Less: Advance Received for 2016-17 By Sale of Old Materials By Entrance Fees By Interest accrued on Investments (4,000×5%×6/12)	18,100 550 (800) 600 (400)	RS. 18,050 150 200 100	
		18,500			18,500	

Balance Sheet

as on March 31, 2016							
Liabilities		Rs.	Assets		Rs.		
Capital Fund	20,000		Subscriptions Outstanding		550		
Add: Surplus	1,300		Sports Equipment	5,000			
Add: Life Membership Fees	5,000	26,300	Add: Purchases	2,000			
Tournament Fund	6,000		Less: Book Value of Sold Equipment	(1,000)			
Add: Donations	2,000	8,000		6,000			
Salaries Unpaid		600	Less: Consumption	(1,500)	4,500		
Subscriptions in Advance		400	Grounds		12,000		
			Billiards Tables	6,000			
			Less: 10% Depreciation	(600)	5,400		
			Cash and Bank Balances		8,750		
			Investments	4,000			
			Add: Accrued interest	100	4,100		
		35,300			35,300		

Question 42.

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From the following Receipts and Payments Account and other information given, prepare Income and Expenditure Account and Balance Sheet of the Sivaji Social Club:

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RECEIPTS AND PAYMENTS ACCOUNT for the year ended 31 st March, 2016

Dr.			Cr.
Receipts	₹	Payments	₹
To Balance (1st April, 2015)	7,000	By Prizes	2,200
To Subscriptions	24,000	By Games Equipments	2,000
To Profit on Dance Show	14,800	By Rent	10,500
To Collection (Matches)	2,500	By Rates	3,000
To Competition Fees	1,800	By Printing	1,600
To Sales of Refreshments	8,200	By Stationery	2,200
		By Postages	1,900
		By Secretary's Expenses	1,400
		By Repairs (Equipment)	2,700
		By Wages	12,000
		By Refreshments	5,100
		By Balance (31 st March, 2016)	13,700
	58,300		58,300

The following matters should be taken into account:

a. Capital Fund as at 1st April, 2015 ₹ 42,000.

b. Fixed Assets owned by the Club as at 1st April, 2015-Furniture and Fittings ₹15,000;

Games Equipments ₹ 20,000. These are to be depreciated @ 10% on opening values.

c. Amounts outstanding as at 31st March, 2016-Printing ₹ 400; Refreshments ₹ 700.

d. On 31st March, 2016-Rent paid in advance ₹1,500; Subscriptions due ₹ 1,200;

Subscriptions in advance ₹ 500.

Books of Sivaji Social Club Income and Expenditure Account for the year ended March 31, 2016

Dr.					Cr.
Expenditure		₹	Income		₹
To Depreciation on:			By Subscriptions	24,000	
Furniture and Fittings	1,500		Add: Outstanding	1,200	
Games Equipments	2,000	3,500	Less: Advance	(500)	24,700
To Prizes		2,200	By Profit on Dance Show		14,800
To Rent	10,500		By Competition Fees		1,800
Less: Rent in Advance	(1,500)	9,000	By Sale of Refreshment		8,200
To Rates		3,000	By Match Collections		2,500
To Printing	1,600				
Add: Outstanding	400	2,000			
To Stationery		2,200			
To Postages		1,900			
To Secretary's Expenses		1,400			
To Repairs		2,700			
To Wages		12,000			
To Refreshments	5,100				
Add: Outstanding	700	5,800			
To Excess of Income Over Expenditure (Balancing Figure)		6,300			
		52,000]		52,000

Balance Sheet

as on March 31, 2016

Liabilities		₹	Assets		₹
Capital Fund	42,000		Furniture and Fillings	15,000	
Add: Excess of Income Over Expenditure	6,300	48,300	Less: 10% Depreciation	(1,500)	13,500
Outstanding for Printing		400	Games Equipments	20,000	
Outstanding for Refreshments		700	Less: 10% Depreciation	(2,000)	
Subscription in Advance		500		18,000	
			Add: Purchases	2,000	20,000
			Rent Paid in Advance		1,500
			Subscriptions Outstanding		1,200
			Cash and Bank		13,700
		49,900			49,900

Question 43.

From the following information relating to the Ganesh Cricket Club, prepare Income and Expenditure Account for the year ended 31st March, 2016 and Balance Sheet as at that date. The summary of cash transactions is: RECEIPTS AND PAYMENTS ACCOUNT

Dr. Cr. ₹ Payments Receipts ₹ To Opening Balance (Cash at Bank) 3,000 By Upkeep of Fields 2,000 By Tournament Expenses To Members' Subscriptions 5,000 700 By Rates and Insurance To Admission Fees 300 200 To Sale of Old Bats, etc. 50 By Telephone 50 To Hire of Ground 300 By Printing and Stationery 100 By General Charges To Subscription for Tournament 1,000 50 To Donations 10,000 By Secretary's Honorarium 200 By Bats, Balls, etc. 700 By Closing Balance (Cash at Bank) 15,650 19,650 19,650

Assets on 1 st April, 2015:	₹
Stock of Bats and Balls	1,500
Printing and Stationery	200
Subscriptions Due	500

Subscriptions due on 31st March, 2016 amounted to ₹750. Write off 50% of Bats, Balls (not considering sale) and 25% of Printing and Stationery.

Solution:

Books of Ganesh Cricket Club Income and Expenditure Account for the year ended March 31, 2016

Dr. Cr.					
Expenditure	₹	Income		₹	
To Upkeep of Fields	2,000	By Members' Subscriptions	5,000		
To Rates and Insurance	200	Add: Outstanding for 2015-16	750		
To Telephone	50	Less: Outstanding for 2014-15	(500)	5,250	
To Printing and Stationery Consumed	75	By Admission Fee		300	
To General Charges	50	By Sale of Old Bats, etc.		50	
To Secretary's Honorarium	200	By Hire of Ground		300	
To Depreciation on Bats, Balls, etc. (2,200×50%)	1,100	By Donations		10,000	
To Surplus (Balance Figure)	12,225				
	15,900	,		15,900	

Balance Sheet

as 017711 01, 2015						
Liabilities	₹	Assets	₹			
Capital Fund (Balancing Figure)	5,200	Stock of Bats and Balls	1,500			
		Printing and Stationery	200			
		Subscriptions Outstanding	500			
		Cash at Bank	3,000			
	5,200		5,200			

Balance Sheet

as on March 31, 2016

Liabilities		₹	Assets		₹	
Subscription for Tournament	1,000		Subscriptions		750	
Less: Tournament Expenses	(700)	300	Outstanding Bats and Balls	1,500		
Capital Fund	5,200		Add: Purchases	700		
				2,200		
Add: Surplus	12,225	17,425	Less: 50% Written-off	(1,100)	1,100	
			Printing and Stationery	200		
			Add: Purchases	100		
				300		
			Less: 25% Written-off	(75)	225	
			Bank		15,650	
		17,725			17,725	

Question 44.

From the following Receipts and Payments Account of Pioneer Cricket Club and the additional information given, prepare Income and Expenditure Account for the year ended 31st March, 2016 and Balance Sheet as at that date:

RECEIPTS AND PAYMENTS ACCOUNT

for the year ended 31st March, 2016

Dr.					Cr.
Receipts		₹	Payments		₹
To Balance b/d:			By Maintenance		6,820
Cash	3,520		By Crockery		2,650
Bank	27,380		By Match Expenses		13,240
6% Fixed Deposit	30,000	60,900	By Salaries		11,000
To Subscriptions		40,000	By Conveyance		820
(including₹ 6,000 for 2014-15)			By Upkeep of Lawns		4,240
To Entrance Fees		2,750	By Postage and Stationery		1,050
To Donation		5,010	By Cricket Goods		9,720
To Interest on Fixed Deposits		900	By Sundry Expenses		2,000
To Tournament Fund		20,000	By Investments		5,700
To Sales of Crockery		2,000	By Tournament Expenses		18,800
(Book Value ₹ 1,200)			By Balance c/d:		
			Cash	2,200	
			Bank	23,320	
			6% Fixed Deposits	30,000	55,520
		1,31,560			1,31,560

Additional Information:

i. Salary outstanding is ₹1,000.

ii. Opening balance of stock of Postage and Stationery and Cricket goods is ₹750 and ₹3,210 respectively. Closing stock of the same is ₹900 and ₹2,800 respectively.

iii. Outstanding Subscriptions for 2014-15 and 2015-16 are ₹6,600 and ₹8,000 respectively.

Solution:

Books of Pioneer Cricket Club Income and Expenditure Account for the year ended March 31, 2016

Dr.					Cr.
Expenditure		₹	Income		₹
To Maintenance		6,820	By Subscriptions	40,000	
To Match Expense		13,240	Less: Outstanding for 2014-15	(6,000)	
To Salaries	11,000		Add: Outstanding for 2015-16	8,000	42,000
Add: Outstanding (11,000/11)	1,000	12,000	By Entrance Fee		2,750
To Conveyance		820	By Donation		5,010
To Upkeep of Loans		4,240	By Interest on Fixed Deposits	900	
To Postage and Stationery	1,050		Add: Accrued Interest	900	1,800
Add: Opening stock	750		By Profit on sale of Crockery		800
Less: Closing stock	(900)	900	(2,000-1,200)		
Cricket Goods	9,720				
Add: Opening stock	3,210				
Less: Closing stock	(2,800)	10,130			
Sunday Expenses		2,000			
To Surplus (Balance Figure)		2,210			
		52,360]		52,360

Balance Sheet on April 01, 2015

Liabilities	₹	Assets		₹
Capital Fund (Balancing Fig.)	72,660	Stock of Postage and Stationery		750
		Stock of Cricket Goods		3,210
		Subscriptions Outstanding		6,600
		Cash	3,520	
		Bank	27,380	
		Fixed Deposits	30,000	60,900
		Crockery		1,200
	72,660			72,660

Balance Sheet

Liabilities		₹	Assets		₹
Salary Outstanding		1,000	Stock of Postage and Stationery		900
Tournament Fund	20,000		Stock of Cricket Goods		2,800
Less: Tournament Expenses	(18,800)	1,200	Crockery (Purchases)		2,650
Capital Fund	72,660		Subscription Outstanding		
Add: Surplus	2,210	74,870	For 2015-16	8,000	
			For 2014-15	600	8,600
			Investments		5,700
			Cash	2,200	
			Bank	23,320	
			Fixed Deposits	30,000	
			Add: Accrued Interest	900	30,900
		77,070			77,070

Working Note:

Calculation of Accrued Interest of Fixed Deposit

Interest Accrued on Fixed Deposits =	900
Less: Interest Received =	(900)
Interest on Fixed Deposit (30,000×6%) =	1,800

Question 45.

From the following Receipts and Payments Account of Mumbai Club, prepare Income Expenditure Account for the year ended 31st March, 2016 and Balance Sheet as at date:

RECEIPTS AND PAYMENTS ACCOUNT
RECEIPTS AND FATMENTS ACCOUNT

Dr.			Cr.
Receipts	₹	Payments	₹
To Cash in Hand	4,000	By Salary	2,000
To Cash at Bank	10,000	By Repair Expenses	500
To Donations	5,000	By Furniture	6,000
To Subscriptions	12,000	By Miscellaneous Expenses	500
To Entrance Fees	1,000	By Investments	6,000
To Interest on Investment	100	By Insurance Premium	200
To Interest Received from Bank	400	By Billiard Table	8,000
To Sale of Old Newspapers	150	By Paper, Ink, etc.	150
To Sale of Drama Tickets	1,050	By Drama Expenses	500
		By Cash in Hand (Closing)	2,650
		By Cash at Bank (Closing)	7,200
	33,700		33,700

Additional Information:

i. Subscriptions in arrear for 2015-16 ₹900 and subscription in advance for 2016-17 ₹350.

ii. Insurance Premium outstanding₹40.

iii. Miscellaneous expenses prepaid ₹90.

iv. Entrance Fees are to be treated as revenue income.

v. 8% interest has accrued on investment for five months.

vi. Billiard Table costing ₹30,000 was purchased during last year and ₹22,000 were paid for it.

Solution:

Income and Expenditure Account for the year ended March 31, 2016

Dr.					Cr.
Expenditure		₹	Income		₹
To Salary		2,000	By Subscriptions	12,000	
To Repair Expenses		500	Add: Outstanding	900	
To Miscellaneous Expenses	500		Less: Advance	(350)	12,550
Less: Prepaid	(90)	410	By Entrance Fee		1,000
To Insurance Premium	200		By Interest on Investment	100	
Add: Outstanding	40	240	Add: Accrued interest	200	300
			(6,000×8%×5/12)		
To Paper, Ink, etc.		150	By Donation		5,000
To Surplus (Balancing Figure)		16,650	By Interest received from Bank		400
			By Sale of Old Newspapers		150
			By Receipt from Sale of Drama Tickets	1,050	
			Less: Drama Expenses	(500)	550
		19,950]		19,950

Balance Sheet on April 01, 2015

as 01 April 01, 2015				
Liabilities	₹	Assets	₹	
Creditors for Billiard Table	8,000	Billiard Table	30,000	
		Cash in hand	4,000	
Capital Fund (Balancing Figure)	36,000	Cash at bank	10,000	
	44,000		44,000	

Balance Sheet as on March 31, 2016					
Liabilities		₹	Assets		₹
Advance Subscriptions		350	Subscriptions Outstanding		900
Insurance Premium Outstanding		40	Prepaid Miscellaneous Expenses		90
Capital Fund	36,000		Investments	6,000	
Add: Surplus	16,650	52,650	Add: Accrued Interest	200	6,200
			Billiard Table		30,000
			Furniture		6,000
			Cash in hand		2,650
			Cash at bank		7,200
		53,040			53,040

Question 46.

Given below is the Receipts and Payments Account of a Mayur club for the year ended 31 st March, 2016: RECEIPTS AND PAYMENTS ACCOUNT

Dr.				Cr.
Receipts		₹	Payments	₹
To Balance b/d		10,250	By Salaries	6,000
To Subscription:			By Expenses	750
2014-15	400		By Drama Expenses	4,500
2015-16	20,500		By Newspapers	1,500
2016-17	600	21,500	By Municipal Taxes	400
To Donations		5,400	By Charity	3,500
To Proceeds of Drama Tickets		9,500	By Investments	20,000
To Sale of Waste Paper		450	By Electricity Charges	1,450
			By Balance c/d	9,000
		47,100		47,100

Prepare club's Income and Expenditure Account for the year ended 31st March, 2016 and Balance Sheet as at that date after taking the following information into account:

(i) There are 500 members, each paying an annual subscription of ₹50, ₹500 are still in arrears for the year 2014-15.

(ii) Municipal Taxes amounted to ₹400 per year have been paid up to 30th June, 2016 and ₹ 500 are outstanding of salaries.

(iii) Building stands in the books at ₹50,000.

(iv) 6% interest has accrued on investments for five months.

Solution:

Income and Expenditure Account for the year ended March 31, 2016

Dr.					Cr.
Expenditure		₹	Income		₹
To Municipal Taxes	400		By Subscription (500members × ₹50)		25,000
Add: Prepaid in 2014-15	100		By Interest Accrued on Investment		500
Less: Prepaid in 2015-16	(100)	400	$\left(20,000 \times \frac{6}{100} \times \frac{5}{12}\right)$		
To Salaries	6,000		By Profit from Drama:		
Add: Outstanding	500	6,500	Proceeds	9,500	
To Expenses		750	Less: Drama Expenses	(4,500)	5,000
To Newspapers		1,500	By Sale of Waste Paper		450
To Charity		3,500	By Donations		5,400
To Electricity Charges		1,450			
To Surplus (Balancing Figure)		22,250			
		36,350			36,350

Balance Sheet

as on April 01, 2015				
Liabilities	₹	Assets	₹	
		Subscription Outstanding (400+500)	900	
Capital Fund (Balancing Figure)	61,250	Municipal Taxes Prepaid	100	
		Building	50,000	
		Cash and Bank	10,250	
	61,250		61,250	

Balance Sheet

Liabilities		₹	Assets		₹
Advance Subscriptions		600	Subscriptions Outstanding		
Salaries Outstanding		500	For 2015-16 (25,000-20,500)	4,500	
Capital Fund	61,250		For 2014-15	500	5,000
Add: Surplus	22,250	83,500	Prepaid Municipal Taxes		100
			Building		50,000
			Investments	20,000	
			Add: Accrued Interest	500	20,500
			Cash at Bank		9,000
		84,600			84,600

Question 47.

Sweet Valley Sports Club gives you the following Receipts and Payments Account for the year ended 31 st March, 2016: RECEIPTS AND PAYMENTS ACCOUNT

Dr.					Cr.
Receipts		₹	Payments		₹
To Opening Balance:			By Rent		6,000
In Hand	3,000		By Salaries to Coaches		30,000
At Bank	30,000	33,000	By Tournament Expenses		10,000
To Subscriptions		65,000	By Office Expenses		20,000
To Tournament Receipts		20,000	By Sports Equipments		15,000
To Life Membership Fees		30,000	By Mowing Machine		12,000
To Entrance Fees		6,000	By Closing Balance:		
To Donations for Pavilion		25,000	In Hand	16,000	
			At Bank	70,000	86,000
		1,79,000			1,79,000

Subscriptions include ₹5,000 for 2014-15 and ₹4,000 were still due in respect of subscriptions for 2015-16. Sports Equipments in hand on 31st March, 2015 were ₹10,000. The value of the equipments in hand on 31st March, 2016 was ₹21,000. The mowing machine was purchased on 1st October, 2015 and is to be depreciated @ 10% p.a. Income from Tournament should be credited to a newly opened Tournament Fund.

Prepare Income and Expenditure Account of the Club for the year ended 31st March, 2016 and Balance Sheet as at that date.

Books of Sweet Valley Sports Club Income and Expenditure Account for the year ended March 31, 2016

Dr.					Cr.
Expenditure		₹	Income		₹
To Rent		6,000	By Subscription	65,000	
To Salaries to Coaches		30,000	Add: Outstanding for 2015-16	4,000	
To Office Expenses		20,000	Less: Outstanding for 2014-15	(5,000)	64,000
To Sports Equipment	15,000		By Entrance Fees		6,000
Add: Opening Stock	10,000				
Less: Closing Stock	(21,000)	4,000			
To Depreciation on Mowing Machine		(00			
(12,000×10%×6/12)		600			
To Surplus (Balancing Figure)		9,400			
		70,000			70,000

Balance Sheet

Liabilities	₹	Assets		₹	
		Cash in Hand	3,000		
Capital Fund (Balancing Figure)	48,000	Cash at Bank	30,000	33,000	
		Stock of Sports Equipments		10,000	
		Subscriptions Outstanding		5,000	
	48,000			48,000	

Balance Sheet

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Liabilities		Κ.	Assets		۲.
Tournament Fund			Subscription Outstanding		4,000
Receipts	20,000		Stock of Sports Equipments		21,000
Less: Expenses	(10,000)	10,000	Mowing Machines	12,000	
Donation for Pavilion		25,000	Less: Depreciation	(600)	11,400
Capital Fund	48,000		Cash at Bank	16,000	
Add: Life Membership Fees	30,000		Cash at Hand	70,000	86,000
Add: Surplus	9,400	87,400			
		1,22,400			1,22,400

Question 48.

From the following information and the Receipts and Payments Account of Delhi Sports Club, prepare Income and Expenditure Account for the year ended 31st March, 2016 and Balance Sheet as at that date:

Dr.			Cr.
Receipts	₹	Payments	₹
To Balance b/d	3,190	By Rent	1,680
To Entrance Fees	550	By Wages	2,450
To Subscriptions	18,000	By Lighting Charges	720
To Donations	1,650	By Books	2,480
To Life Membership Fees	2,500	By Office Expenses	4,500
To Interest on Deposits	240	By 8% Fixed Deposits	12,000
To Proceeds of Tournament	2,320	(On 1 st October, 2015)	
		By Tournament Expenses	2,020
		By Cash in Hand	2,600
	28,450		28,450

RECEIPTS AND PAYMENTS ACCOUNT

Other Information:

On 31st March, 2015, the Club possessed books worth ₹20,000 and Furniture worth ₹8,500. Provide depreciation on these assets @ 10% including the purchases during the year.

Subscriptions in arrears in the beginning of the year amounted to ₹350 and the year ₹550 were outstanding.

The Club paid three months' rent in advance both in the beginning and at the end of the year.

Solution:

Books of Delhi Sports Club Income and Expenditure Account for the year ended March 31, 2016

Dr.					Cr.
Expenditure		₹	Income		₹
To Rent	1,680		By Entrance Fees		550
Add: Advance in the beginning	420		By Subscriptions	18,000	
Less: Advance at the end	(420)	1,680	Add: Arrears at the end	550	
To Wages		2,450	Less: Arrears in the beginning	(350)	18,200
To Lighting Charges		720	By Donations		1,650
To Office Expenses		4,500	By Interest on Deposits	240	
To Depreciation on:			Add: Accrued Interest	240	480
Furniture	850		By Profit from Tournament:		
Books	2,248	3,098	Proceeds	2,320	
To Surplus (Balancing Fig.)		8,732	Less: Expenses	(2,020)	300
		21,180			21,180

Balance Sheet

Liabilities	₹	Assets	₹
		Advance Rent	420
Capital Fund (Balancing Fig.)	32,460	Subscriptions-in-Arrears	350
		Books	20,000
		Furniture	8,500
		Cash and Bank	3,190
	32,460		32,460

Balance Sheet as on March 31, 2016

Liabilities		₹	Assets		₹
			Subscription-in-Arrears		550
Capital Fund	32,460		Advance Rent		420
Add: Surplus	8,732		Books	20,000	
Add: Life Membership	2,500	43,692	Add: Purchase	2,480	
				22,480	
			Less: 10% Depreciation	(2,248)	20,232
			Furniture	8,500	
			Less: 10% Depreciation	(850)	7,650
			Cash and Bank		2,600
			8% Fixed Deposit	12,000	
			Add: Accrued Interest	240	12,240
		43,692			43,692

Working Notes:

Calculation of Interest Accrued on Fixed Deposits	
Interest on Fixed Deposits (12,000×8%×6/12)	480
Less: Interest Received	(240)
Interest Accrued on Fixed Deposits	240

Question 49.

From the following particulars relating to the Ramakrishna Mission Charitable Hospital, prepare Income and Expenditure Account for the year ended 31st March, 2016 and Balance Sheet as at that date:

RECEIPTS AND PAYMENTS ACCOUNT

for the year ended $31\,st$ March, 2016

	,		
Dr.			Cr.
Receipts	₹	Payments	₹
To Cash in Hand on		By Medicines	30,590
1 st April, 2015	7,130	By Doctor's Honorarium	9,000
To Subscriptions	47,996	By Salaries	27,500
To Donations	14,500	By Petty Expenses	461
To Interest on Investments		By Equipments	15,000
@ 7% for full year	7,000	By Expenses on Charity Show	750
To Proceeds from Charity Show	10,450	By Cash in Hand on 31 st March, 2016	3,775
	87,076		87,076

Additional Information:

	As at 1st April, 2015 (₹)	As at 31st March, 2016 (₹)
Subscriptions Due	240	280
Subscriptions Received in Advance	64	100
Stock of Medicines	8,810	9,740
Estimated value of Equipments	21,200	31,600
Building (cost less depreciation)	40,000	38,000

Solution:

Books of Rama Krishna Mission Charitable Hospital Income and Expenditure Account for the year ended March 31, 2016

Dr.					Cr.
Expenditure		₹	Income		₹
To Medicine	30,590		By Subscription	47,996	
Add: Opening Stock	8,810		Add: Due for 2015-16	280	
Less: Closing Stock	(9,740)	29,660	Less: Due for 2014-15	(240)	
To Doctor's Honorarium		9,000	Less: Advance for 2016-17	(100)	
To Salaries		27,500	Add: Advance for 2015-16	64	48,000
To Petty Expenses		461	By Donations		14,500
To Expenses on Charity Show		750	By Interest on Investments		7,000
To Depreciation on Equipments		4,600	By Proceeds from Charity Show		10,450
To Depreciation on Building		2,000			
To Surplus (Balancing Figure)		5,979			
		79,950			79,950

Balance Sheet

Liabilities	₹	Assets	₹
Advance Subscription	64	Subscription Due	240
Capital Fund (Balancing Figure)	1,77,316	Stock of Medicines	8,810
		Equipments	21,200
		Building	40,000
		Cash in Hand	7,310
		Investments	1,00,000
	1,77,380		1,77,380

Balance Sheet as on March 31, 2016				
Liabilities	₹	Assets		₹
Advance Subscription	100	Subscription Due		280
Capital Fund 1,77,3	16	Stock of Medicines		9,740
Add: Surplus 5,9	79 1,83,295	Equipments	21,200	
		Add: Purchase	15,000	
			36,200	
		Less: Depreciation	(4,600)	31,600
		Building	40,000	
		Less: Depreciation	(2,000)	38,000
		Cash in Hand		3,775
		7% Investments		1,00,000
	1,83,395			1,83,395

Working Notes: Calculation of Value of Investments = Interest $\times \frac{100}{\text{Rate of Return}}$ = 7, 000 $\times \frac{100}{7}$ = 1, 00, 000