

Accounting for Not-for-Profit Organisation

Choose the correct one

Question 1.

Not-For-Profit Organisations prepares

- (a) Income and Expenditure Account
- (b) Profit and Loss Account
- (c) Trading Account
- (d) None of the above

▼ [Answer](#)

Answer: (a) Income and Expenditure Account

Question 2.

The Receipts and Payments Account is the summary of

- (a) Income and expenditures during current year
- (b) Cash receipts and payments
- (c) Debit and credit balances of ledger accounts
- (d) Only cash receipts

▼ [Answer](#)

Answer: (b) Cash receipts and payments

Question 3.

Subscription received in advance by a club during previous year are shown

- (a) on the credit side of Income and Expenditure Account
- (b) on the assets side of the Opening Balance Sheet
- (c) on the assets side of the Closing Balance Sheet
- (d) on the liabilities side of the Closing Balance Sheet

▼ [Answer](#)

Answer: (b) on the assets side of the Opening Balance Sheet

Question 4.

Donations received for a specific purpose is a

- (a) Assets
- (b) Liabilities
- (c) Revenue Receipts
- (d) Capital Receipts

▼ [Answer](#)

Answer: (d) Capital Receipts

Question 5.

Opening Cash Balance is shown in

- (a) Income and Expenditure Account
- (b) Receipts and Payments Account
- (c) Closing Balance Sheet
- (d) None of the above

▼ [Answer](#)

Answer: (b) Receipts and Payments Account

Question 6.

The Receipts and Payments Account is a

- (a) Real Account
- (b) Nominal Account
- (c) Personal Account
- (d) None of the above

▼ [Answer](#)

Answer: (a) Real Account

Question 7.

Subscription outstanding are

- (a) an income
- (b) an asset
- (c) a liability
- (d) An expenditure

▼ [Answer](#)

Answer: (b) an asset

[Fill in the blanks](#)

Question 1.

Entrance Fees is treated as receipt.

▼ [Answer](#)

Answer: Revenue

Question 2.

Subscriptions received in advance by a club are shown on the side of the Balance Sheet.

▼ [Answer](#)

Answer: Liabilities

Question 3.

Payment of honorarium is treated as expenditure.

▼ [Answer](#)

Answer: Revenue

Question 4.

Excess of income over expenditure is shown on the side of Income and Expenditure Account.

▼ [Answer](#)

Answer: Debit side

Question 5.

In a Receipts and Payments Account the payments are recorded on the side.

▼ [Answer](#)

Answer: Credit

Question 6.

Income and Expenditure Account is prepared by concerns.

▼ [Answer](#)

Answer: Not-For-Profit

Question 7.

A debit balance in the Income and Expenditure Account denotes excess of over

▼ [Answer](#)

Answer: Expenditure, Income

Question 8.

Subscription received by an institution is a receipt.

▼ [Answer](#)

Answer: Revenue

Question 9.

Interest received on special fund investments will be added to fund in the Balance Sheet.

▼ [Answer](#)

Answer: Special

Question 10.

Life membership fees received by a club are show in

▼ [Answer](#)

Answer: Balance Sheet

Question 11.

Life membership fee received by an institution is a, receipt.

▼ [Answer](#)

Answer: Capital

Question 12.

Subscriptions received in advance will figure in the

▼ [Answer](#)

Answer: Balance Sheet

Question 13.

Any amount received towards Endowment funds in a receipt.

▼ [Answer](#)

Answer: Capital

Question 14.

Income and Expenditure Account is a account.

▼ [Answer](#)

Answer: Nominal

Question 15.

Excess of expenditure over income is capital fund in the Balance Sheet.

▼ [Answer](#)

Answer: Deducted from the

Question 16.

The closing debit balance in the Receipts and Payments Account indicates the balance at the end of the year.

▼ [Answer](#)

Answer: Cash

Question 17.

Opening and closing balances of cash are in Receipts and Payments Account.

▼ [Answer](#)

Answer: Entered

Question 18.

The Income and Expenditure Account is prepared on the basis of system, of accounting.

▼ [Answer](#)

Answer: Mercantile

Question 19.

Income and expenditure matches all receipts against payment pertaining to the relevant accounting year.

▼ [Answer](#)

Answer: Revenue, Revenue

Question 20.

Receipts and Payments Account is a account.

▼ [Answer](#)

Answer: Real

State whether the following statements are true or false

Question 1.

Loss on the sale of furniture of a sports club will be shown in the Receipts and Payments Account.

▼ [Answer](#)

Answer: False

Question 2.

Receipts and Payments Account is nothing but a consolidated summary of the cash book.

▼ [Answer](#)

Answer: True

Question 3.

Any subscriptions received in advance are treated as capital receipts and are therefore taken to the liabilities side of the balance sheet.

▼ [Answer](#)

Answer: False

Question 4.

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

▼ [Answer](#)

Answer: False

Question 5.

The Income and Expenditure Account is equivalent to Profit and Loss Account of a business enterprise.

▼ [Answer](#)

Answer: True

Question 6.

The closing balance of Receipts and Payments Account reveals the surplus or deficit of a non-trading concern.

▼ [Answer](#)

Answer: False

Question 7.

Life membership fee is totally credited to the Income and Expenditure Account.

▼ [Answer](#)

Answer: False

Question 8.

The Receipts and Payments Account records receipts and payments of revenue nature only.

▼ [Answer](#)

Answer: False

Question 9.

100% provision is made for outstanding fee in case of professional conems.

▼ [Answer](#)

Answer: True

Question 10.

Entrance fees unless otherwise stated is to be taken as a capital receipt.

▼ [Answer](#)

Answer: False
