

Chapter – II

Accounts of not for Non- Profit

Organisation

Date : 26.07.2020

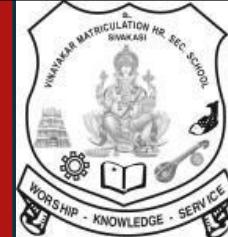
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SYNOPSIS

► Exercise 8 - 19

Format of Receipts & Payments account



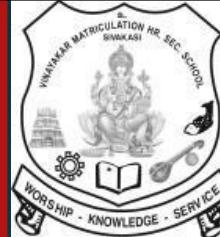
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Format of Receipts and Payment Account

Dr. Receipts and Payments Account of for the year ending Cr.

Receipts	₹	₹	Payments	₹	₹
To Balance b/d			By Balance b/d		
Cash in hand	xxx		Bank overdraft		xxx
Cash at bank	xxx	xxx			
Revenue receipts:			Revenue payments:		
To Subscription		xxx	By Salaries		xxx
To Entrance fees		xxx	By Rent paid		xxx
To General donations		xxx	By Electricity charges		xxx
To Grant-in-aid		xxx	By Postage		xxx
To Sale of old newspapers		xxx	By Rent and taxes		xxx
To Interest on investment		xxx	By Insurance		xxx
To Dividend		xxx	By Advertisement		xxx
To Locker rent received		xxx	By Telephone charges		xxx
To Rent received		xxx	By Entertainment expenses		xxx
To Sundry receipts		xxx	By Audit fees		xxx
			By Repairs		xxx

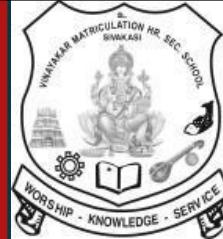
Format of Receipts & Payments account



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Capital receipts:					
To Life membership fees	xxx	By Upkeep of ground		xxx	
To Donation for		By Conveyance charges		xxx	
specific purpose	xxx	By Newspapers and			
		periodicals		xxx	
To Legacies	xxx	By Office expenses		xxx	
To Endowment fund	xxx	By Gardening expenses		xxx	
To Sale of fixed assets	xxx	By Sundry expenses		xxx	
To Sale of investments	xxx				
To Receipt for specific		Capital Payments:			
purpose or fund	xxx	By Fixed assets		xxx	
To Interest on specific		By Investments		xxx	
fund investments	xxx	By Repayment of loan		xxx	
To Balance c/d		By Balance c/d			
(Bank overdraft)		Cash in hand	xxx		
		Cash at bank	xxx	xxx	
	xxx				xxx

Format of Income & Expenditure account



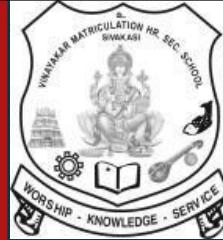
Name of the club / Institution

Dr.

Income and Expenditure Account for the year ended

Cr.

Expenditure	₹	Income	₹
To Salaries	xxx	By Subscription	xxx
To Charities	xxx	By Donation received	xxx
To Rent	xxx	By Admission fee received	xxx
To Donation paid	xxx	By Grant received	xxx
To Stationery	xxx	By Rent received	xxx
To Loss on sale of asset	xxx	By Interest received	xxx
To Depreciation	xxx	By Profit on sale of asset	xxx
To Surplus*	xxx	By Deficit*	xxx
(Excess of income over expenditure)		(Excess of expenditure over income)	
	xxx		xxx



Treatment of revenue receipts

Dr.

Income and Expenditure Account for the year ended...

Cr.

Expenditure	₹	Income	₹	₹
		By Subscription	xxx	
		Less: Subscription for the previous year	xxx	
		Less: Subscription for the subsequent year	xxx	
		Add: Outstanding subscription for the current year	xxx	
		Add: Received in advance during the previous year for the current year	xxx	xxx



Treatment of Balancesheet

Balance sheet as on ...

Liabilities	₹	Assets	₹
Subscription received in advance for the subsequent year	xxx	Outstanding subscription for the: current year previous year	xxx xxx

8. From the following receipts and payments account and the additional information given below, calculate the amount of subscription to be shown in Income and expenditure account for the year ending 31st December, 2018.

Receipts	₹	₹	Payments	₹
To Subscription				
2017	28,000			
2018	1,72,000			
2019	12,000	2,12,000		

Additional information: Subscription outstanding for the year 2018 is ₹ 8,000.

(Answer: Subscription for 2018: ₹ 1,80,000)

9. How the following items will appear in the final accounts of a club for the year ending 31st March 2019?

Receipts	₹	₹	Payments	₹
To Subscription				
2017-2018	10,000			
2018-2019	50,000			
2019-2020	5,000	65,000		

There are 200 members in the club each paying an annual subscription of ₹ 400 per annum. Subscription still outstanding for the year 2017- 2018 is ₹ 2,000.

**(Ans: Income and Expenditure A/c: Subscription: ₹ 80,000
Balance Sheet: Assets: Subscription outstanding: ₹ 32,000;
Liabilities: Subscription received in advance: ₹ 5,000)**

10. How will the following items appear in the final accounts of a club for the year ending 31st March 2017? Received subscription of ₹ 40,000 during the year 2016-17. This includes subscription of ₹ 5,000 for 2015-16 and ₹ 3,000 for the year 2017-18. Subscription of ₹ 1,000 is still outstanding for the year 2016-17.

**(Ans: Income and Expenditure A/c: Subscription: ₹ 33,000
Balance Sheet: Assets: Subscription outstanding: ₹ 1,000;
Liabilities: Subscription received in advance: ₹ 3,000)**

11. Compute income from subscription for the year 2018 from the following particulars relating to a club.

Particulars	1.1.2018 ₹	31.12.2018 ₹
Outstanding subscription	3,000	5,000
Subscription received in advance	4,000	7,000

Subscription received during the year 2018: ₹ 45,000.

(Ans: Income and Expenditure A/c: Subscription: ₹ 44,000)

12. From the following particulars, show how the item 'subscription' will appear in the Income and Expenditure Account for the year ended 31-12-2018?

Subscription received in 2018 is ₹ 50,000 which includes ₹ 5,000 for 2017 and ₹ 7,000 for 2019. Subscription outstanding for the year 2018 is ₹ 6,000. Subscription of ₹ 4,000 was received in advance for 2018 in the year 2017.

(Ans: Income and Expenditure A/c: Subscription: ₹ 48,000)

13. How the following items appear in the final accounts of Thoothukudi Young Pioneers Association?

There are one hundred members in the association each paying ₹ 25 as annual subscription. By the end of the year 10 members had not paid their subscription but four members had paid for the next year in advance.

**(Answer: Income and expenditure account: Subscription: ₹ 2,500
Balance sheet: Liabilities: Subscription received in advance: ₹ 100
Assets: Subscription outstanding: ₹ 250)**

14. How will the following appear in the final accounts of Marthandam Women Cultural Association?

	₹
Stock of sports materials on 1.4.2018	16,000
Sports materials purchased during the year	84,000
Stock of sports materials on 31.3.2019	10,000

**(Answer: Income and expenditure account (Dr.): ₹ 90,000;
Balance sheet: Assets: Stock of sports materials ₹ 10,000)**

15. How will the following appear in the final accounts of Vedaranyam Sports club?

	₹
Opening stock of bats and balls	3,000
Purchase of bats and balls during the year	17,000
Sale of old bats and balls	2,000
Closing stock of bats and balls	4,000

(Answer: Income and expenditure account: Bats and balls consumed ₹ 16,000 (Dr.)

Sale of old sports materials: ₹ 2,000 (Cr.)

Balance Sheet: Assets side: Stock of bats and balls: ₹ 4,000)

16. Show how the following items appear in the income and expenditure account of Sirkazhi Singers Association?

	₹
Stock of stationery on 1.4.2018	2,600
Purchase of stationery during the year	6,500
Stock of stationery on 31.3.2019	2,200

(Answer: Stationery consumed: ₹ 6,900 (Dr.))

17. Chennai tennis club had Match fund showing credit balance of ₹ 24,000 on 1st April, 2018. Receipt to the fund during the year was ₹ 26,000. Match expenses incurred during the year was ₹ 33,000. How these items will appear in the final accounts of the club for the year ended 31st March, 2019?

(Answer: Balance sheet: Liabilities: Match fund: ₹ 17,000)

18. How will the following appear in the final accounts of Karaikudi sports club for the year ending 31st March, 2019?

Particulars	₹
Tournament fund on 1 st April 2018	90,000
Tournament fund investment on 1 st April 2018	90,000
Interest received on tournament fund investment	9,000
Donation to tournament fund	10,000
Tournament expenses	60,000

**(Ans: Balance Sheet: Liabilities: Tournament fund: ₹ 49,000
Assets: Tournament fund investment: ₹ 90,000)**

19. Compute capital fund of Salem Sports Club as on 1.4.2019.

Particulars	₹	Particulars	₹
Sports equipment	30,000	Prize fund	10,000
Computer	25,000	Prize fund investments	10,000
Subscription outstanding for 2018-19	5,000	Cash in hand	7,000
Subscription received in advance for 2019-20	8,000	Cash at bank	21,000

(Ans: Capital fund: ₹ 80,000)