



INDIAN SCHOOL MUSCAT

Senior Section

Department of Commerce and Humanities

Class : XII

**Practice Worksheet-No 1 :
NOT FOR PROFIT ORGANISATION**

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ACCOUNTANCY (055)

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ACCOUNTING FOR NOT FOR PROFIT ORGANISATIONS

One Mark Questions

1.	The main object of non-profit organization is — (A) To earn the Profit (B) To Serve the Society C) To Prepare Profit & Loss A/c ((D) All the above	
2.	Subscription received by an organization is— (A) Capital Receipt (B) Revenue Receipt (C) Both 'A' and 'B (D) None of the above	
3.	Entrance fees received by a Club is treated as (A) Revenue Receipt (B) Capital Receipt (C) Revenue Expenditure (D) None of these	
4.	Receipts and Payments A/c is a summary of— (A) All Capital Receipts and Payments (B) All Revenue Receipts and Payments (C) All Revenue and Capital Receipts and Payments (D) None of these	
5.	Subscription received during the year Rs. 50,000; Subscriptions outstanding at the end of the year Rs. 8,000; Subscription outstanding at the beginning of the year Rs. 6,000. Net Income from subscription will be	
6.	Subscription received during the year Rs. 1,80,000; Subscriptions outstanding at the end of the year Rs. 20,000; Subscriptions received in advance at the end of the year Rs. 10,000. The amount of subscription to be credited to Income and Expenditure Account will be — (A) Rs. 2,10,000 (B) Rs. 1,90,000 (C) Rs. 1,70,000 (D) Rs. 2,00,000	
7.	In case specific fund is maintained, the expenses exceeding the amount of the funds, should be recorded on— (A) Liabilities side of the Balance Sheet (B) Debit side of the Income and Expenditure Account (C) Credit side of the Income and Expenditure Account (D) Assets side of the Balance Sheet	
8.	All receipts from sale of consumable items are treated as— (A) Capital Receipts (B) Revenue Receipts (C) Both 'A' and 'B' (D) None of these	
9.	Subscriptions received in cash during the year Rs. 5,000, amount received in advance for the next year is Rs. 300. Amount outstanding for current year was Rs. 400. The amount to be credited to the Income and Expenditure Account is— (A) Rs. 4,000 (B) Rs. 5,100 (C) Rs. 4,200 (D) Rs. 4,600	
10.	If income is Rs. 16,000 and 'deficit' debited to capital fund is Rs. 4,300, then Expenditure	

	(A)Rs.16,000 (B)Rs.4,300 (C)Rs.20,300 (D) None of these	
11	Balance of Income and Expenditure Account shows— (A) Cash in hand (B) Capital Fund (C)Net Profit (D) Excess of Income over Expenditure or vice-versa	
12	Property received as a result of the will of the deceased person is Called (A) Legacy (B)Honorarium (C)Donation (D)Subscription	
13	Legacies should be treated as — (A) A Liability (B) A Revenue Receipts (C)An Income (D) None of these	
14	Life membership fees received by Club is shown in— (A) Income and Expenditure A/c (B) Balance Sheet (C) Receipts and Payments A/c (D) None of these	
15	For non-trading organization honorarium is— (A) A Capital Expenditure (B) A Revenue Expenditure (C)An Income (D) None of these	
16	Receipts & Payments A/c is a— (A) PersonalA/c (B)RealA/c (C)NominalA/c (D) None of these	
17	Income & Expenditure A/c is a— (A) PersonalA/c (B)RealA/c (C)NominalA/c (D) None of these	
18	Which of the following is not a not-for-profit organisation— (A) College (B)SportsClub (C)Maruti Udyog (D)Hospital	
19	Income and Expenditure Account is prepared— (A) By Business Organisation (B) By Industrial Organisation (C) By Not-for-profit Organisation (D) By all Organisations	
20	Income and Expenditure Account is prepared— (A) By Business Organisation (B) By Industrial Organisation (C) By Not-for-profit Organisation (D) By all Organisations	
21	Receipts and Payments Account usually indicates— A) Surplus (B)CapitalFund (C)Debit Balance (D) Credit Balance	
22	Income and Expenditure Account generally indicates— (A) Surplus/Deficit (B)Cash Balance (C) Capital Fund (D) Net Profit/Loss	
	Fill in the Blanks	
23	The regular source of income of a club is	
24	The sale of old newspapers is of..... nature.	
25	Not for Profit Organisation is aLegal entity.	
26	Income and Expenditure Account shows the amount of subscription for the Irrespective of the fact whether it is received or not.	
27	An NPO does not have like proprietorship, partnership and joint stock company	
	True/False	
28	Income is shown on the debit side of Income and expenditure Account	
29	Income and Expenditure Account is a real account.	
30	Only revenue items are recorded in the Income and Expenditure Account.	
31	Expenses incurred on annual whitewashing of building is revenue expenditure.	
32	Scholarships granted to students out of funds provided by Government will be Expenditure over incomes	

¾ MARKS QUESTIONS

Q1

	Rs.
Subscription received during 2018-2019	50,000
Subscription outstanding on 31-3-2019	8,000
Subscription outstanding on 01-04-2018	6,000

Calculate the amount of subscription to be credited to Income & Expenditure a/c for the yr. 2018-2019.

Q 2 Ascertain the amount of salary chargeable to Income & Expenditure A/c for 2019-2020

	2020 Rs.
Total salaries paid in 2019-2020	10,200
Prepaid salaries on 31-3-2019	1,200
Prepaid salaries on 31-3-2020	600
Outstanding salaries on 31-3-2019	900
Outstanding salaries on 31-3-2020	750

Q3 How would you deal with the following items in the Balance sheet of a NPO?

	Rs.
1. Donations received for Auditorium construction (Expected total cost of the auditorium Rs.40,00,000)	25,00,000
2. Expenditure on construction of Auditorium	21,00,000
3. Receipts from Charity show	10,000
4. Charity show expenses	11,000
5. Prize Fund	25,000
6. 6% Prize fund Investment	25,000
7. Donation for Prize Fund	5,000
8. Prizes awarded	6,000

Q 4. Stock of Cricket equipments on 1.1.2019	1,000
Stock of Cricket equipments on 31.12.2019	1,500
Cricket equipments purchased during the year	4,150

Q5.

Calculate the sports material to be debited to Income & Expenditure A/c for the year ended 31-3-2007 on the basis of the following information:

Particulars	1.4.2019 (Rs.)	31.3.2020 (Rs.)
Stock of sports material	7,500	6,400
Creditors for sports material	2,000	2,600

Amount paid for sports material during the year was Rs.19,000

Q 6:

From the following particulars of M/s. Jalaram Charity Hospital, prepare Income & Expenditure A/c and the Balance Sheet as on 31st March 2019.

Receipts	Rs.	Payments	Rs.
To Cash in hand 1.4.2018	7,130	By Medicines	30,590
To Subscriptions	47,996	By Doctor's Honorarium	9,000
To Donations	14,500	By salaries	27,500
To Interest on Bank Fixed Deposit @ 7% p.a. for full year	7,000	By Petty expenses	461
		By Equipments	15,000
To charity show proceeds	10,450	By charity show expenses	750
		By Cash in hand 31.3.2019	3,775
	87,076		87,076

Additional information:	1.4.2018Rs.	31.3.2019Rs.
Subscription due	240	280
Subscription received in advance	64	100
Stock of medicines	8810	9740
Estimated value of equipment	21200	31600
Building (Cost less depreciation)	40000	38000

Q 7:

Prepare Income & Expenditure A/c & Balance Sheet of Leo Club Mumbai for the yr. ended 31st Dec. 2019 from the following:

Receipts & Payments A/c
(for the year ended 31st December, 2019)

Receipts	Rs.	Payments	Rs.
Cash in hand b/d	4500	Salaries (11 months)	1100
Subscriptions: 2018 – 100 2019- 2400 2020 - 200	2700	Tournament exp.	1600
		Investments	1000
		Furniture	400
Sale of old furniture (Costing Rs.200)	140	Stationery	1200
Tournament Receipts	2000	Sports expenses	15000
Sports Fund	10000	Misc. expenses	200
Donations for Sports	3000	Rent paid up-to Feb. 2020	1400
		Cash in hand	440
	22340		22340

The club has 300 members each paying an annual subscription of Rs.10. Rs.70 are still outstanding for the year 2018. In 2018, 10 members had paid their subscription for 2019 in advance. Stock of stationery in 2018 was Rs.100 & in 2019 Rs.140.

On 1-1-2019, club owned Land & Building valued at Rs.20,000& furniture of Rs.1300. Interest accrued on investment @6% p.a. for 3 months.

Q 8 On the basis of the information given below, calculate the amount of stationery debited to income and Expenditure account of Raman Health Club for the year ended 31st March 2020:

Particulars	1 st April 2019	31 st March 2020
	Rs	Rs
Stock of Stationery	80,000	60,000
Creditors for Stationery	90,000	1,10,000
Stationery purchased during the year ended 31 st March 2020	Rs 4,70,000	
Outstanding Subscription or Subscription Receivable	92,000	1,26,000
Advance Subscriptions	60,000	80,000

Subscription received during the year ended 31st March 2020 Rs 6,40,000

Q 9. Calculate the amount of subscriptions outstanding from the following information for the year ending 2018-19:

A club has 375 members each paying an annual subscription of Rs.1,000. Subscriptions outstanding on 31st March 2018 60,000

Subscriptions received in advance on 31st March 2019 45,000
Subscription received in advance on 31st March 2018 18,000

The Receipt and Payment Account showed a sum of Rs.3,97,500 received as subscriptions.

Q. 10 Following is the Receipt and Payment Account of You Bee Club for the year ended 31st December, 2019:

Receipts	Rs.	Payments	Rs.
To Balance b/d	15,000	By Salaries	16,000
To Subscriptions:		By Office Expenses	3,500
2018	6,000	By Sports Equipment	34,000
2019	35,000	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

Additional Information:

- Outstanding Salaries Rs. 4,000.
- Outstanding Subscription for 2019 Rs. 5,500.
- Depreciate Sports Equipment by 25%.

Prepare Income and Expenditure Account of the Club from the above particulars.

Q 11 Following is the Receipts and Payments Account of Star Club for the year ended 31st March 2013:

Receipts	Amount Rs.	Payments	Amount Rs.
Balance b/d	4,400	Salaries	18,200
Subscriptions	46,100	Rent	15,000
Interest	2,500	Printing and Stationery	7,300
Tournament Fund	12,000	Expenses on Charity Show	16,100
Donation	6,000	Tournament Expenses	7,500
Donation for Building	20,000	Investments Purchased	10,000
Receipt from advertisement in the year	5,200	Furniture	6,000

book		Balance c/d	16,100
	96,200		96,200

Subscriptions outstanding on 31st March 2012 were Rs. 4,500 and Investments valued Rs. 15,000. Prepare Income and Expenditure A/c for the year ended 31st March, 2013 depreciation furniture by 10%.
