



INDIAN SCHOOL MUSCAT

Senior Section

Department of Commerce and Humanities

Class : XII

Worksheet-No 1 : CH -1: MCQs ON NOT FOR PROFIT ORGANISATION:

Reference:

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ACCOUNTANCY (055)

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Time Allowed :30 minutes

Q-1 The Receipt and Payment account of a Non- Profit Organisation is a

- (a) Nominal Account (b) Real Account
(c) Income Statement Account (d) Financial Statements

Q-2 In regard to Rent expenses paid in advance of a non- profit organisation which of the following classification is correct

- (a)Expense (b) Liability (c) Equity (d) Assets

Q-3 Income & Expenditure Account is based on

- (a) Cash Accounting (b) Accrual Accounting
(c) Government Accounting (d) Management Accounting

Q-4 Which of the following is regarded as apt to show purchase of fixed asset for a non profit organisation

- (a) Income & Expenditure Account (b) Profit & Loss Account
(c) Balance Sheet (d) None of the above

Q-5 Which of the following is to be recorded in an income and Expenditure Account

- (a) Purchase of a fixed Asset
(b) Capital Expenditure incurred on a fixed asset
(c) Profit on the sale of a fixed asset
(d) Sale of a fixed asset

Q-6 XYZ club has a bar that maintains a separate trading account for its trading activities. Which of the following is the treatment of profit or loss on bar trading activities?

- (a) Profit or loss is directly shown in the Balance Sheet
- (b) Profit or loss is to be presented in income and expenditure account
- (c) Profit and loss is credited in income statement.
- (d) Profit or loss is added to accumulated fund.

Q-7 Which of the following is the accounting equation for a non-profit organisation?

- (a) $\text{Asset} = \text{Capital} + \text{Liabilities}$
- (b) $\text{Capital} + \text{Liabilities} = \text{Assets}$
- (c) $\text{Accumulated Fund} + \text{Liabilities} = \text{Assets}$
- (d) $\text{Liabilities} = \text{Assets} + \text{Accumulated Fund}$

Q-8 Subscription received but not yet earned is considered as

- (a) Asset
- (b) Liability
- (c) Income
- (d) Expenditure

Q-9 On What basis receipts and payments account is made

- (a) Cash basis
- (b) Accrual basis
- (c) Both Cash & Accrual basis
- (d) None of the above

Q-10 The control of non trading concern rest in the hand of

- (a) Directors
- (b) managing Agents
- (c) Governing body
- (d) Promoters

Q-11 If debit side of receipt and payment account exceeds the credit side, it represents:

- (a) Deficit balance
- (b) Surplus Balance
- (c) Cash at Bank
- (d) Bank Overdraft

Q-12 Deficit balance can be shown in balance Sheet as:

- (a) Liability
- (b) Assets
- (c) Owner's equity
- (d) None of the above

Q-13 Receipt and Payment account includes

- (a) Revenue items
- (b) Cash items
- (c) Revenue & Cash items
- (d) None of the above

Q-14 Which should be considered as capital receipt of a club

- (a) Donation
- (b) sale of newspaper
- (c) sale of bar items
- (d) sale of furniture

Q-15 At the beginning of an accounting year a club has assets of ₹ 19,000 and liabilities of ₹5,000. ₹ 1,800 is the debit balance of the income & expenditures account. The opening capital fund is

- (a) ₹ 18,000
- (b) ₹11,200
- (c) ₹15,800
- (d) ₹ 24,800

Q-16 The opening balance of the Prize fund of a sports club was ₹6,400. Further donations towards this fund received during the accounting year amounted to ₹4,300. During the year, ₹ 3,500 was spent on prizes and ₹ 400 was received as interest on investment of the Prize Fund. The closing balance of the Prize fund is

- (a) ₹ 1,900

(b) ₹10,200

(c) ₹10,600

(d) ₹7,600

Q-17 Salaries payable for the current year amount to ₹ 8,500 at the end of the year. Outstanding salaries amounted to ₹ 300. Salaries paid in advance last year pertaining to the current year amounted to ₹500. Prepaid salaries for the next year amount to ₹250. total amount paid for salaries during the year is

(a) ₹7,550

(b) ₹7,500

(c) ₹ 7,950

(d) ₹6,500

Q-18 Second hand furniture worth ₹ 6,000 was purchased. It was repaired for ₹600 and installed by workmen to whom ₹ 200 was paid as wages. The furniture should be capitalised for

(a) ₹6,200

(b) ₹6,800

(c) ₹ 6,600

(d) ₹ 6,000

Q-19 Fixed assets fund is

(a) Endowment Fund

(b) Current restricted Fund

(c) Current unrestricted fund

(d) Meant for accounting of asses and depreciation

Q-20 Donations received for special purpose should be

(a) Credited to a separate fund account and shown in the Balance Sheet

(b) Treated as revenue

(c) treated as revenue unless the amount is large

(d) Not recorded at all

Q-21 Amount received from the sale of old furniture by a club is treated as:

(a) Revenue Receipt

(b) Capital Receipt

- (c) Asset
- (d) Liability

Q-22 Receipt & Payment Account shows

- (a) A debit balance
- (b) A credit balance
- (c) Surplus or deficit
- (d) Capital fund

Q-23 Subscription received in advance during the accounting year is

- (a) An income
- (b) An expense
- (c) Asset
- (d) Liability

Q-24 Fill in the blanks:

1. Fund based accounting is used by -----organisations.
2. Restricted fund can be used for -----purpose
3. Endowment Fund is -----Fund.
4. General Fund can be transferred to ----- Fund
5. When Expenditure is paid out of current/ restricted fund, cash/bank account is credited and -----is debited.
6. ----- represents the excess of assets over liabilities.

Q-25 State whether the following statements are True or False

- (a) Not for profit concerns concentrate their efforts on maximising the profits.
- (b) Charitable institutions prepare income and expenditure account at the end of every financial year.
- (c) There is no difference between the nature of Receipt & Payment Account and Income & Expenditure account.
- (d) All receipts are the items of revenue nature.
- (e) In the income and Expenditure Account, all incomes received during the year irrespective of the year for which they are received, are to be recorded.
- (f) Income & expenditure account do not have opening balance.

PLEASE PRACTICE AND THAN CHECK ANSWER

ANSWERS :-

Q No	Answer	Q No	Answer	Q No	Answer
1	B	13	C	24.2	Specific
2	D	14	D	24.3	General fund
3	B	15	C	24.4	Any other
4	C	16	D	24.5	Restricted fund
5	C	17	C	24.6	Capital fund
6	B	18	B	25.a	False
7	C	19	D	25.b	True
8	B	20	A	25.c	False
9	A	21	B	25.d	False
10	C	22	A	25.e	False
11	C	23	D	25.f	True
12	B	24 1.	Not for profit		

Marks Scored :-----/ 35