

VIDYA BHAWAN BALIKA VIDYA PITH

शक्तिउत्थानआश्रमलखीसरायबिहार

Class 12 commerce Sub. ACT Date 14.04.2021

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Accounting for Not-for-Profit Organisation

Illustration 3

From the undermentioned Receipt and Payment Account for the year ending March 31, 2002 of Nagi's Club, prepare a Income and Expenditure Account for the same period:

Receipt and Payment Account for the year ending March 31, 2002

Dr.			Cr.
Expenditure	Amount (Rs.)	Income	Amount (Rs.)
Balance c/d Bank	25,000	Purchase of furniture (1.7.01)	5,000
Subscriptions		Salaries	2,000
2001 1,500		Telephone expenses	300
2002 10,000		Electricity charges	600
2003 <u>500</u>	12,000	Postage and Stationery	150
Donation	2,000	Purchase of books	2,500
Hall rent	300	Entertainment expenses	900
Interest on bank deposits	450	Purchase of 5% government papers (1.7.01)	8,000
Entrance fees	1,000	Miscellaneous expenses	600
		Balance c/d:	
		Cash	300
		Bank	20,400
	40,750		40,750

The following additional information is available:

- (i) Salaries outstanding – Rs. 1,500;
- (ii) Entertainment expenses outstanding – Rs. 500;
- (iii) Bank interest receivable – Rs. 150;
- (iv) Subscriptions accrued – Rs. 400;
- (v) 50 per cent of entrance fees is to be capitalised;
- (vi) Furniture is to be depreciated at 10 per cent per annum.

Solution

Books of Negi's Club

Income and Expenditure Account for the year ending 31.3.2002

Dr.			Cr.
Expenditure	Amount (Rs.)	Income	Amount (Rs.)
Salaries	2,000	Subscriptions	10,400
Add: Outstanding	<u>1,500</u>	Donation	2,000
Telephone expenses	300	Entrance Fees (50% of Rs. 1,000)	500
Electricity charges	600	Bank interest	450
Postage and Stationery	150	Add: Outstanding interest	<u>150</u>
			600

<i>Entertainment expenses</i>	900		<i>Interest on investment</i>	200
<i>Add: Outstanding expenses</i>	<u>500</u>	1,400	<i>Hall rent</i>	300
<i>Miscellaneous expenses</i>		600		
<i>Depreciation on furniture</i>		375		
<i>Surplus (Excess of Income over Expenditure)</i>		7,075		
		14,000		14,000