

VIDYA BHAWAN BALIKA VIDYA PITH

शक्तिउत्थानआश्रमलखीसरायबिहार

Class 12 commerce Sub. ACT Date 18.04.2021

Teacher name – Ajay Kumar Sharma

Accounting for Not-for-Profit Organisation

Illustration 6

Extracts of Receipt and Payment Account for the year ended March 31, 2006 are given below:

<i>Receipt</i>	<i>(Rs.)</i>
<i>Subscriptions</i>	
2004-05	2,500
2005-06	26,750
2006-07	1,000
	<u>30,250</u>

Additional Information:

Total number of members: 230.

Annual membership fee: Rs. 125.

Subscriptions outstanding on April 1, 2005: Rs. 2,750.

Prepare a statement showing all relevant items of subscriptions viz., income, advance, outstanding, etc.

Solution

Amount of subscription due for the year 2005-06 irrespective of cash Rs. 28,750 (i.e. Rs. 125 × Rs. 230).

<i>Details</i>	<i>Amount (Rs.)</i>
Subscriptions received as per Receipts and Payments Account	30,250
Add: Subscriptions outstanding on March 31, 2006	2,250
Add: Subscriptions received in advance on April 1, 2005	NIL
	<u>32,500</u>
Less: Subscriptions outstanding on April 1, 2005	2,750
	<u>29,750</u>
Less: Subscriptions received in advance on March 31, 2006	1,000
Income from Subscription for the year 2005-06. (125×230)	28,750

Note: The amount of subscriptions outstanding as on 01-04-2005 has been ascertained as follows:

<i>Details</i>	<i>(Rs.)</i>	<i>(Rs.)</i>
(i) Outstanding as on 01-04-05	2,750	
Received for 2004-05	<u>2,500</u>	250
(ii) Due for 2005-06 (125×230)	28,750	
Received for 2005-06	<u>26,750</u>	2,000
Outstanding as on 31-3-06		2,250

Illustration 7

From the following extract of Receipt and Payment Account and the additional information given below, compute the amount of income from subscriptions and show as how they would appear in the Income and Expenditure Account for the year ending March 31, 2007 and the Balance Sheet on that date:

Receipt and Payment Account for the year ending March 31, 2007

<i>Dr.</i>		<i>Cr.</i>	
<i>Receipts</i>	<i>Amount (Rs.)</i>	<i>Payments</i>	<i>Amount (Rs.)</i>
Subscriptions:			
2005-06 7,000			
2006-07 30,000			
2007-08 5,000	42,000		

Additional Information:

1. Subscriptions outstanding March 31, 2006	Rs. 8,500
2. Total Subscriptions outstanding March 31, 2007	18,500
3. Subscriptions received in advance as on March 31, 2006	4,000

Solution

Income and Expenditure Account for the year ending on March 31, 2007

<i>Expenditure</i>	<i>Amount (Rs.)</i>	<i>Income</i>	<i>Amount (Rs.)</i>
		Subscriptions Received for 2006-07	30,000
		Add: Outstanding for 2006-07	17,000
		Add: Received in advance for 2006-07	4,000
			51,000

Note: Total amount of subscriptions outstanding as on 31-3-07 are Rs. 18,500. This, includes Rs. 1,500 (Rs. 8,500 - Rs. 7,000) for subscriptions still outstanding for 2005-06. Hence, the subscriptions outstanding for 2006-07 are Rs. 17,000 (Rs. 18,500 - Rs. 1,500).

Balance Sheet (Relevant Data) as on March 31, 2007

<i>Liabilities</i>	<i>Amount (Rs.)</i>	<i>Assets</i>	<i>Amount (Rs.)</i>
Subscription Received in Advance for 2007-08	5,000	Subscription Outstanding: 2005-06 1,500 2006-07 <u>1,7000</u>	18,500

*Relevant data only