

VIDYA BHAWAN BALIKA VIDYA PITH

शक्तिउत्थानआश्रमलखीसरायबिहार

Class 12 commerce Sub. ACT Date 22.04.2021

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Accounting for Not-for-Profit Organisation

Illustration 12

Prepare Income and Expenditure Account and Balance Sheet for the year ended March 31, 2007 from the following information.

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

Receipts	Amount (Rs.)	Payments	Amount (Rs.)
Balance b/d	41,000	Salaries and Wages:	
Subscriptions:		2005-06	4,800
2005-06	7,200	2006-07	<u>83,200</u>
2006-07	3,37,600	Sundry expenses	37,000
2007-08	<u>12,000</u>	Freehold land	60,000
Entrance fees	16,000	Stationery	16,000
Locker rent	58,000	Rates	24,000
Revenue from refreshment	48,000	Refreshment expenses	37,500
Income from investments	56,000	Telephone charges	4,000
		Investments	2,50,000
		Audit fee	6,000
		Balance c/d	53,300
	5,75,800		5,75,800

The following additional information is provided to you:

1. There are 1800 members each paying an annual subscription of Rs. 200, Rs. 8,000 were in arrears for 2005-06 as on April 1, 2006.
2. On March 31, 2007 the rates were prepaid to June 2007; the charge paid every year being Rs. 24,000.
3. There was an outstanding telephone bill for Rs. 1,400 on March 31, 2007.
4. Outstanding sundry expenses as on March 31, 2006 totaled Rs. 2,800.
5. Stock of stationery as on March 31, 2006 was Rs. 2000; on March 31, 2007, it was Rs. 3,600.
6. On March 31, 2006 Building stood at Rs. 4,00,000 and it was subject to depreciation @ 2.5% p. a.
7. Investment on March 31, 2006 stood at Rs. 8,00,000.
8. On March 31, 2007, income accrued on investments purchased during the year amounted to Rs. 1,500.

Solution

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

Dr.

Cr.

<i>Expenditure</i>	<i>Amount (Rs.)</i>	<i>Income</i>	<i>Amount (Rs.)</i>
Salaries and Wages	83,200	Subscriptions	3,60,000
Sundry Expenses 37,000		Entrance fees	16,000
Less: Outstanding on 31.3.2006 <u>2,800</u>	34,200	Locker rent	58,000
Stationery : (consumed)		Income from refreshment:	
Opening stock 2,000		Revenue from 48,000	
Add: Purchases 16,000		refreshment	
Less: Closing stock <u>3,600</u>	14,400	Less: Refreshment <u>37,500</u>	10,500
Rates 24,000		expenses	
Less: Paid for 2007-08 6,000		Income from 56,000	
Add: Prepaid in 2006-07 <u>6,000</u>	24,000	investments	
Telephone charges 4,000		Add: Accrued income <u>1,500</u>	57,500
Add: Outstanding <u>1,400</u>	5,400	on current year	
audit fee 6,000		investment	
Surplus Depreciation on building (excess of Income over expenditure)	10,000		
	3,24,800		
	5,02,000		5,02,000

Balance Sheet as on March 31, 2007

<i>Liabilities</i>	<i>Amount (Rs.)</i>	<i>Assets</i>	<i>Amount (Rs.)</i>
Outstanding Telephone Expenses	1,400	Cash and Bank Balance	53,300
Subscription received in Advance	12,000	Subscription in Arrears	23,200
General Fund 12,49,400		Stock of Stationery	3,600
Add: Surplus <u>3,24,800</u>	15,74,200	Rates Prepaid	6,000
		Accrued Interest on investment:	1,500
		Investments 8,00,000	
		Additions <u>2,50,000</u>	10,50,000
		Building 4,00,000	
		Less: Depreciation <u>10,000</u>	3,90,000
		Land	60,000
	15,87,600		15,87,600

Balance Sheet as on March 31, 2006

<i>Liabilities</i>	<i>Amount (Rs.)</i>	<i>Assets</i>	<i>Amount (Rs.)</i>
Outstanding Sundry Expenses	2,800	Cash and Bank balance	41,000
Outstanding Salary and Wages	4,800	Subscription in arrears	8,000
General Fund	12,49,400	Stock of stationery	2,000
(Balancing figure)		Rates prepaid	6,000
		Investments	8,00,000
		Building	4,00,000
	12,57,000		12,57,000

Working Note :

Subscription Account

Dr.

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<i>Date</i>	<i>Particulars</i>	<i>J.F.</i>	<i>Amount (Rs.)</i>	<i>Date</i>	<i>Particulars</i>	<i>J.F.</i>	<i>Amount (Rs.)</i>
	Opening Balance or Balance b/d (Arrears for 2005-06)		8,000		Receipt and Payment Balance c/d		3,56,800
	Income and Expenditure (1800×200)		3,60,000				23,200
	Balance c/d (Advance for 2007-08)		12,000				
			3,80,000				3,80,000