

VIDYA BHAWAN BALIKA VIDYA PITH

शक्तिउत्थानआश्रमलखीसरायबिहार

Class 12 commerce Sub. ACT Date 28.04.2021

Teacher name – Ajay Kumar Sharma

Accounting for Not-for-Profit Organisation

Illustration 16. Prepare Income and Expenditure Account of Entertainment Club for the year ending March 31, 2007 and Balance Sheet as on that date from the following information:

Receipt and Payment Account For the year ending on March 31, 2007

Dr.		Cr.	
Receipts	Amount (Rs.)	Payments	Amount (Rs.)
Balance b/d	24,000	Rent and Rates	48,750
Subscriptions		Furniture purchased	40,000
2005-06 23,250		Creditors for sports materials	61,000
2006-07 3,36,000		Purchases for sports materials	10,000
2007-08 <u>13,000</u>	3,72,250	Cost of prizes awarded	20,750
Sale of sports materials	26,000	Match expenses	35,150
Entrance fees	40,000	Miscellaneous expenses	1,50,000
General donation	20,250	Balance c/d	1,34,050
Donation for prize fund	14,000		
Interest on prize fund			
Investments	1,500		
Miscellaneous receipts	1,700		
	4,99,700		4,99,700

Additional Information:

Details	Apr. 01, 2006	Mar. 31, 2007
Sports materials	20,000	25,000
Furniture	2,00,000	?
5% Prize fund investments	60,000	?
Creditors for sports materials	7,000	14,750
Subscription in arrears	23,750	?
Prize fund	60,000	?
Rent paid in advance	----	3,750
Outstanding rent	3,750	
Outstanding miscellaneous expenses	11,400	20,100
Miscellaneous expenses paid in advance	3,750	4,250
Book value of sports materials sold was Rs. 20000		
Depreciation on furniture is to be provided @ 10%.		
Half of the entrance fee is to be capitalised.		
There are 1440 members, each paying an annual subscription @ Rs. 250.		
Subscription received in advance on 1.4.2006 were Rs. 7,000.		

Solution

**Books of Entertainment Club
Income and Expenditure Account
for the year ending March 31, 2007**

Dr.

Cr.

<i>Expenditure</i>	<i>Amount (Rs.)</i>	<i>Income</i>	<i>Amount (Rs.)</i>
Rent	48,750	Subscriptions	3,36,000
Less: Opening Outstanding	<u>3,750</u>	Add: Received in advance (2005-2006)	7,000
	45,000	Add: Outstanding (2006-2007)	<u>17,000</u>
Less: paid in advance	<u>3,750</u>	(Rs.3,60,000-Rs.3,43,000)	3,60,000
Sports Materials		General donations	20,250
Opening stock	20,000	Entrance fees	20,000
Add: Payments to creditor	<u>61,000</u>	Sports materials (Profit on sale)	
	81,000	(i.e. 26,000-20,000)	6,000
Add: Closing creditor	<u>14,750</u>	Miscellaneous receipts	<u>1,700</u>
	95,750		
Add: Cash purchase	<u>10,000</u>		
	1,05,750		
Less: Opening creditor	<u>7,000</u>		
	98,750		
Less: Sports material Sold	<u>20,000</u>		
	78,750		
Less: Closing stock	<u>25,000</u>		
	53,750		
Match expenses	35,150		
Depreciation on furniture	24,000		
Miscellaneous expenses:			
Paid 1,50,000			
Less: Outstanding (2006-2007)	<u>11,400</u>		
	1,38,600		
Paid in advance (2006-2007)	<u>4,250</u>		
	1,34,350		
Add: Outstanding (2006-2007)	<u>20,100</u>		
	1,54,250		
Paid in advance (2005-2006)	<u>3,750</u>		
	1,58,200		
Surplus (Excess of income over expenditure)	95,600		
	4,07,950		4,07,950

Balance Sheet of Entertainment Club as on March 31, 2006

<i>Liabilities</i>	<i>Amount (Rs.)</i>	<i>Assets</i>	<i>Amount (Rs.)</i>
Capital Fund (Balancing figure)	2,42,350	Furniture	2,00,000
Prize fund	60,000	5% Prize Fund Investments	60,000
Creditors for Sports Materials	7,000	Subscription Receivable (i.e. outstanding)	23,750
Subscription Received in Advance	7,000	Stock of Sports Materials	20,000
Expenses:		Miscellaneous Expenses	3,750
Rent	3,750	Paid in Advance	
Miscellaneous Expenses	<u>11,400</u>	Cash in hand	24,000
	3,31,500		3,31,500

Balance Sheet of Entertainment as on March 31, 2007

<i>Liabilities</i>	<i>Amount (Rs.)</i>	<i>Assets</i>	<i>Amount (Rs.)</i>
Capital fund	2,42,350	<i>Furniture:</i>	
Add: Surplus	95,600	Opening balance	2,00,000
Entrance fees	<u>20,000</u>	Additions	<u>40,000</u>
Prize fund	60,000		2,40,000
Add: Donations	14,000	Less: Depreciation	<u>24,000</u>
Interest received	1,500		2,16,000
Interest accrued*	<u>1,500</u>	5% Prize fund investments	60,000
	77,000	Subscription receivable (i.e. Outstanding):	
Less: Prizes awarded	<u>20,750</u>	(2005-2006)	500
Creditors for sports materials	14,750	(2006-2007)	<u>17,000</u>
Subscription received in advance	13,000	Stock of sports materials	25,000
Outstanding miscellaneous expenses	20,100	Miscellaneous expenses	4,250
		Paid in advance	
		Prepaid rent	3,750
		Accrued interest on Prize fund investments	1,500
		Cash in hand	1,34,050
	4,62,050		4,62,050

Note: * Interest on Prize Fund Investments @ 5% amounts to Rs. 3,000 whereas only Rs. 1,500 have been received; so the balance is treated as Accrued interest.