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**Test your Understanding - I**

State with reasons whether the following statements are TRUE or FALSE:

- (i) Receipt and Payment Account is a summary of all capital receipts and payments.
- (ii) If there appears a sports fund, the expenses incurred on sports activities will be shown on the debit side of Income and Expenditure Account.
- (iii) The balancing figure on credit side of Income and Expenditure Account denotes excess of expenses over incomes.
- (iv) Scholarships granted to students out of funds provided by government will be debited to Income and Expenditure Account.
- (v) Receipt and Payment Account records the receipts and payments of revenue nature only.
- (vi) Donations for specific purposes are always capitalized.
- (vii) Opening balance sheet is prepared when the opening balance of capital fund is not given.
- (viii) Surplus of Income and Expenditure Account is deducted from the capital/general fund.
- (ix) Receipt and Payment Account is equivalent to profit and loss account.
- (x) Receipt and Payment Account does not differentiate between capital and revenue receipts.

ASSIGNMENT - I

CHAPTER - NPO XII ACCTTS

TEACHER'S NAME - KIRTI SAINI

PGT - Commerce

NCERT XII ACCTTS

2019-20

Relevant data only

### Do it Yourself

1. Subscriptions received by the health club during the year 2015 were as under:

	Rs.
2014	3,000
2015	96,000
2016	<u>2,000</u>
	<u>1,01,000</u>

	Rs.
Subscriptions Outstanding as on 31.12.14	5,000
Subscriptions Outstanding as on 31.12.15	<u>12,000</u>
Subscriptions received in advance in 2014 for 2015	5,000

Calculate the amount of subscriptions to be shown on the income side of Income and Expenditure A/c.

2. During the year 2015, subscriptions received by a sports club were Rs. 80,000. These included Rs. 3,000 for the year 2014 and Rs. 6,000 for the year 2016. On March 31, 2016 the amount of subscriptions due but not received was Rs. 12,000. Calculate the amount of subscriptions to be shown in Income and Expenditure Account as income from subscription.

3. Subscriptions received during the year ended December 31, 2015 by Royal Club were as under:

	Rs.
2014	3,000
2015	93,000
2016	<u>2,000</u>
	<u>98,000</u>

The club has 500 members each paying @ Rs. 200 as annual subscription. Subscriptions outstanding as on March 31, 2016 are Rs. 6,000. Calculate the amount of subscriptions to be shown as income in the Income and Expenditure Account for the year ended March 31, 2016 and show the relevant data in the Balance Sheet as on date.

**Test your Understanding - II**

How would you treat the following items in the case of a 'not-for-profit' organisation?

1. Tournament Fund Rs. 40,000. Tournament Expenses Rs. 14,000. Receipts from Tournament Rs. 16,000.
2. Table Tennis match expenses Rs. 4,000.
3. Prize Fund Rs. 22,000. Interest on Prize fund Investments Rs. 3,000. Prizes given Rs. 5,000. Prize fund Investments Rs. 18,000.
4. Receipts from Charity Show Rs. 7,000. Expenses on Charity Show Rs. 3,000.