

From the following Receipts and Payments Account of a club, prepare Income and Expenditure Account for the year ended March 31, 2020 and the Balance Sheet as at that date.

Receipts and Payment Account for the year ending March 31, 2020

Receipts	₹	Payments	₹
To Balance b/d	3500	By General Expenses	900
To Subscription		By Salary	16000
2018-19 2000		By Postage	1300
2019-20 70000		By Electricity charges	7800
2020-21 3000	75000	By Furniture	26500
To Sale of old Books (costing 3200)	2,000	By Books	13000
To Rent from Use of Hall	17,000	By Newspapers	600
To Sale of newspapers	400	By Meeting Expenses	7200
To Profit from entertainment	7300	By T.V Set	16000
		By Balance c/d	15900
	<u>1,05,200</u>		<u>1,05,200</u>

Add Information-

- The club has 100 members each paying an annual subscription of ₹900.
Subscriptions outstanding on Mar 31, 2019 were ₹3600.
- On Mar 31, 2020 Salary of amounted to ₹1000.
Salary paid included ₹1000 for the year

2018-19.

3. On April 1, 2019 the club owned Land and Building £25,000, furniture £2,600 and Books £620.

Solution-

Income & Expenditure Account

for the year ending 31 March 2020. Cr

Expenditure	£	Income	£
To General Expenses	900	By Sub. recd.	75000
To Salary	16000	Add-ops at the end	
Add-ops end.	1000	2018-19 = 1600	
	17000	(3600 - 2000)	
Less-ops beg.	1000	2019-20 = 20000	
	16000	(1000 x 900)	
To Postage	1300	90000 - 70000	21600
To Electricity Charges	7800		96600
To Newspapers	600	Less-ops in	3600
To Meeting Expenses	7200	the beg.	93000
To loss on sale of	1200	Less-recd. in	3000
Books		adv. at the end	90000
To Surplus	79700	By Rent from use of hall	17000
		By Sale of newspapers	400
		By Profit from enter:	7300
		tournament	1,14,700
	1,14,700		

Balance Sheet

as at 31 March 2020

Liabilities	£	Assets	£
Capital Fund	39900	Land & Building	25,000
Add-Surplus	79700	Furniture	2600
Salary Ops.	1000	Add-Additions	26500
Sub. Recd in advance	3000	Books	6200
		Add-Additions	13000
		Less-	(3200)
		Cash Balance	15900
		Sub. Ops	
		2018-19	1600
		2019-20	20000
		T.V set	21600
			16000
	123600		123600

Working Notes:

Balance sheet
as at 31 March 2019

Liabilities	₹	Assets	₹
Capital fund (Balancing fig.)	39900	Land & Building	25000
Sub. recd. in adv.	Nil	Furniture	2600
Salary o/s	1000	Books	6200
		Cash	3500
		Sub. o/s	3600
	<u>40900</u>		<u>40900</u>