

Not For Profit Organisation

TIME 1:15 Hr

TEST

MARKS 25

Q.1 State with reasons whether the following statements are TRUE or FALSE:

1. Receipt and Payment Account is a summary of all capital receipts and payments.
2. If there appears a sports fund, the expenses incurred on sports activities will be shown on the debit side of Income and Expenditure Account.
3. A credit balance of Income and Expenditure Account denotes excess if expenses over incomes.
4. Scholarships granted to students out of funds provided by government will be debited to Income and Expenditure Account.
5. Receipt and Payment Account records the receipts and payments of revenue nature only.
6. Donations for specific purposes are always capitalized.
7. Opening balance sheet is prepared when the opening balance of capital fund is not given.
8. Surplus of Income and Expenditure Account is deducted from the capital/ general fund.
9. Receipt and Payment Account is equivalent to profit and loss account.
10. Receipt and Payment Account does not deference between capital and revenue receipts. **10**

Q.2 As per Receipt and Payment Account for the year ended on March 31, 2006, the subscriptions received were Rs. 2,50,000. Additional Information given is as follows:

1. Subscriptions Outstanding on 1.4.2005 Rs. 50,000
2. Subscriptions Outstanding on 31.3.2006 Rs.35,000
3. Subscriptions Received in Advance as on 1.4.2005 Rs.25,000
4. Subscriptions Received in Advance as on 31.3.2006 Rs.30,000

Ascertain the amount of income from subscriptions for the year 2005–06 and show how relevant items of subscriptions appear in opening and closing balance sheets. **3**

Q.3 Extracts of Receipt and Payment Account for the year ended March 31, 2006 are given below:

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

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. **4**

Q.4 Show the following information in financial statements of a 'Not-for-Profit' Organisation:

Details Amount (Rs.)	Match Expenses	16,000
	Match Fund	8,000
	Donation for Match Fund	5,000
	Sale of Match tickets	7,000

(b) What will be the effect, if match expenses go up by Rs. 6,000 other things remaining the same? **3**

Q.5 Following is the information given in respect of certain items of a Sports Club. Show these items in the Income and Expenditure Account and the Balance Sheet of the Club: 3

Sports Fund as on 1.4.2005 35,000
Sports Fund Investments 35,000
Interest on Sports Fund 4,000
Donations for Sports Fund 15,000
Sports Prizes awarded 10,000
Expenses on Sports Events 4,000
General Fund 80,000
General Fund Investments 80,000
Interest on General Fund Investments 8,000 .

Q.6 How will you deal with the following items while preparing for the Bombay Women Cricket Club its income and expenditure account for the year ending 31.3.2007 and its Balance Sheet as on 31.3.2007: Donation received during the year for the 12,25,000 construction of a permanent Pavilion Expenditure incurred up to 31.3.2007 on its construction 10,80,000. The total estimated expenditure on construction of Pavilion being 25,00,000. 2

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