

CLASS 12TH WORKSHEET FOR ACCOUNTANCY

Chapter 1 · Financial Statements of Not-for-Profit Organisations **1.67**

1.66 Double Entry Book Keeping—CBSE XII

41. Following is the Receipts and Payments Account of Delhi Football Club for the year ended 31st March, 2019:

RECEIPTS AND PAYMENTS ACCOUNT for the year ended 31st March, 2019			
Dr.	₹	Payments	Cr. ₹
Receipts			
To Balance b/d (Cash)	18,000	By Building	4,00,000
To Donations for Building	4,50,000	By Project Expenses (Young Talent Search and Development)	90,000
To Donations	50,000		
To Government Grant (Young Talent Search and Development)	1,00,000	By Match Expenses	90,000
To Life Membership Fees	40,000	By Furniture	1,21,000
To Match Fund	80,000	By 10% Investments (Purchased on 1st July, 2018)	1,60,000
To Subscriptions	52,000	By Salaries	70,000
To Locker Rent	4,000	By Insurance	3,500
To Interest on Investments	10,000	By Sundry Expenses	4,700
To Sale of Furniture (Book value ₹ 80,000)	1,00,000	By Balance c/d (Cash)	4,800
To Entrance Fees	50,000	By Bank (Young Talent Search and Development)	10,000
	<u>9,54,000</u>		<u>9,54,000</u>

Additional Information:

- (i) During the year ended 31st March, 2019, the Club had 550 members and each paying an annual subscription of ₹ 100.
- (ii) Salaries Outstanding as at 1st April, 2018 were ₹ 10,000 and as at 31st March, 2019 were ₹ 5,000.
- (iii) Salaries Outstanding as at 1st April, 2018 were ₹ 10,000 and as at 31st March, 2019 were ₹ 5,000.

Prepare Income and Expenditure Account of the Club for the year ended 31st March, 2019.

[Ans.: Surplus, i.e., Excess of Income over Expenditure—₹ 1,07,800.]

- [Hints: 1. Match expenses ₹ 90,000 will be set off against Match Fund, i.e., ₹ 80,000. Excess Balance of match expenses, i.e., ₹ 10,000 will be debited to Income and Expenditure Account.
2. Expenses of ₹ 90,000 towards Young Talent Search and Development Project will be met out of Government Grant of ₹ 1,00,000 for the purpose. Both, Grant and expense will be shown in Balance Sheet.]

Preparation of the Income and Expenditure Account and Balance Sheet from Receipts and Payments Account with Additional Information

42. Following is the summary of cash transactions of the Royal Club for the year ended 31st March, 2019:

RECEIPTS AND PAYMENTS ACCOUNT for the year ended 31st March, 2019			
Dr.	₹	Payments	Cr. ₹
Receipts			
To Balance b/d:		By Rent	16,800
Cash in Hand	10,000	By Wages	24,500
Cash at Bank	21,900	By Electricity Charges	7,200
To Entrance Fees	25,500	By Honorarium	43,500
To Subscriptions	1,60,000	By Books	21,300
To Legacy	16,500	By Office Expenses	45,000
To Life Membership Fees	25,000	By 3% Fixed Deposit (1st October, 2018)	80,000
To Surplus from Entertainment Events	5,600	By Balance c/d:	
		Cash in Hand	2,000
		Cash at Bank	24,200
	<u>2,64,500</u>		<u>2,64,500</u>

In the beginning of the year, the Club possessed Books of ₹ 2,00,000 and Furniture of ₹ 85,000. Subscriptions in arrears in the beginning of the year amounted to ₹ 3,500 and at the end of the year ₹ 4,500 and six months Rent was due both in the beginning of the year and at the end of the year.

Prepare Income and Expenditure Account of the Club for the year ended 31st March, 2019 and its Balance Sheet as at that date after writing off ₹ 5,000 and ₹ 11,300 on Furniture and Books respectively.

[Ans.: Surplus—₹ 56,500; Capital Fund on 1st April, 2018—₹ 3,12,000; Balance Sheet Total—₹ 4,01,900.]

- [Hints: 1. Life Membership Fee is capitalised.
2. Legacy is credited to Income and Expenditure Account, it being not for specific purpose.]

43. From the following Receipts and Payments Account of Social Club and the information supplied, prepare Income and Expenditure Account for the year ended 31st March, 2019 and Balance Sheet as at that date:

RECEIPTS AND PAYMENTS ACCOUNT for the year ended 31st March, 2019			
Dr.	₹	Payments	Cr. ₹
Receipts			
To Balance b/d	7,000	By Salaries	28,000
To Subscriptions:		By General Expenses	6,000
2017-18	5,000	By Electricity Charges	4,000
2018-19	20,000	By Books	10,000
2019-20	4,000	By Newspapers	8,000
To Hire of Ground	29,000	By Balance c/d	4,000
To Surplus from Entertainment Events	14,000		
To Sale of Old Newspapers	8,000		
	2,000		
	<u>60,000</u>		<u>60,000</u>

- (a) The club has 50 members each paying an annual subscription of ₹ 500. Subscriptions Outstanding on 31st March, 2018 were ₹ 6,000.
- (b) On 31st March, 2019, Salaries Outstanding amounted to ₹ 2,000. Salaries paid in the year ended 31st March, 2019 included ₹ 6,000 for the year ended 31st March, 2018.
- (c) On 1st April, 2018, the Club owned Building valued at ₹ 2,00,000; Furniture ₹ 20,000 and Books ₹ 20,000.
- (d) Provide depreciation on Furniture at 10%.

[Ans.: Surplus—₹ 5,000; Capital Fund as at 1st April, 2018—₹ 2,47,000; Balance Sheet Total—₹ 2,58,000.]

44. From the following Receipts and Payments Account and additional information given below, prepare Income and Expenditure Account and Balance Sheet of Rural Literacy Society as on 31st March, 2019:

RECEIPTS AND PAYMENTS ACCOUNT for the year ended 31st March, 2019			
Dr.	₹	Payments	Cr. ₹
Receipts			
To Balance b/d:		By General Expenses	32,000
Cash in Hand	40,000	By Newspapers	18,500
Cash at Bank	1,55,500	By Electricity	30,000
To Subscriptions:		By Fixed Deposit with Bank (On 30th September, 2018 @ 10% p.a.)	1,80,000
2017-18	12,000	By Books	70,000
2018-19	2,65,000	By Salary	36,000
2019-20	5,000	By Rent	65,000
To Legacy	2,82,000	By Postage Charges	3,000
To Government Grant	12,500	By Furniture (Purchased)	1,05,000
To Sale of Old Furniture (Book value ₹ 50,000)	1,20,000	By Balance c/d:	
To Interest received on Fixed Deposit	37,000	Cash in Hand	30,000
	4,500	Cash at Bank	82,000
	<u>6,51,500</u>		<u>6,51,500</u>

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Additional Information:

- (i) Subscription outstanding as on 31st March, 2018 ₹ 20,000 and on 31st March, 2019 ₹ 15,000.
 (ii) On 31st March, 2019, salary outstanding ₹ 6,000 and one month rent paid in advance.
 (iii) On 1st April, 2018, society owned furniture ₹ 1,20,000 and books ₹ 50,000.

[Ans.: Surplus—₹ 2,15,000; Opening Capital Fund—₹ 3,85,500;
 Total of Balance Sheet—₹ 6,11,500.]

45. Glaxo Club's Balance Sheet as at 1st April, 2018 was as under:

Liabilities	₹	Assets	₹
Capital Fund	2,00,000	Sports Equipments	50,000
Tournament Fund	60,000	Grounds	1,20,000
Subscriptions in Advance	6,000	Billiards Tables	60,000
Salaries Unpaid	11,000	Subscriptions Outstanding	8,000
		Cash and Bank Balances	39,000
	2,77,000		2,77,000

Receipts and Payments Account for the year ended 31st March, 2019 was:

Dr. RECEIPTS AND PAYMENTS ACCOUNT for the year ended 31st March, 2019 Cr.			
Receipts	₹	Payments	₹
To Opening Balance	39,000	By Wages and Salaries	60,000
To Subscriptions	1,81,000	By Upkeep of Grounds	10,000
To Sale of Old Materials	1,500	By Stationery	15,000
To Sale of Sports Equipment (Book value ₹ 10,000)	6,000	By Audit Fee	2,000
To Entrance Fees	2,000	By Expenses on Tournament	65,000
To Life Membership Fees	50,000	By Sports Equipments	20,000
To Donations for Tournament	20,000	By 5% Investments (On 1st October, 2018)	40,000
		By Cash and Bank Balances	87,500
	2,99,500		2,99,500

Subscriptions still to be received are ₹ 5,500 but subscriptions already received include ₹ 4,000 for next year. Salaries still unpaid are ₹ 6,000. Sports Equipments are now valued at ₹ 45,000. Prepare Income and Expenditure Account and the Balance Sheet, after charging 10% depreciation on Billiards Tables.

[Ans.: Surplus—₹ 78,000; Balance Sheet Total—₹ 3,53,000.]

46. From the following Receipts and Payments Account and additional information relating to the Star Cricket Club, prepare Income and Expenditure Account for the year ended 31st March, 2019 and Balance Sheet as at that date:

Dr. RECEIPTS AND PAYMENTS ACCOUNT Cr.			
Receipts	₹	Payments	₹
To Balance b/d:		By Upkeep of Fields	20,000
Cash in Hand 1st April, 2018	10,000	By Tournament Expenses	7,000
Cash at Bank as per Pass Book	20,000	By Rates and Insurance	2,000
To Members' Subscriptions	50,000	By Telephone	500
To Admission Fee	3,000	By Stationery	1,000
To Sale of Old Bats, etc.	500	By General Charges	500
To Hire of Ground	3,000	By Secretary's Honorarium	2,000
To Subscriptions for Tournament	10,000	By Bats, Balls, etc.	7,000
To Donations	75,000	By Balance c/d:	
To Legacy Donations	25,000	Cash in Hand 31st March, 2019	1,00,000
		Cash at Bank as per Pass Book	56,500
	1,96,500		1,56,500
			1,96,500

Assets on 1st April, 2018:	₹
Stock of Bats and Balls	15,000
Stationery	2,000
Subscriptions Due	5,000

Subscriptions due on 31st March, 2019 amounted to ₹ 7,500. Write off 50% of Bats, Balls (not considering sale) and 25% of Stationery.

[Ans.: Surplus—₹ 1,22,250; Capital Fund on 1st April, 2018—₹ 52,000;
 Balance Sheet Total—₹ 1,77,250.]

47. From the following Receipts and Payments Account of Mumbai Theatre Club, prepare Income and Expenditure Account for the year ended 31st March, 2019 and Balance Sheet as at that date:

Dr. RECEIPTS AND PAYMENTS ACCOUNT Cr.			
Receipts	₹	Payments	₹
To Balance b/d:		By Salary	20,000
Cash and Bank	1,40,000	By Repair Expenses	5,000
To Donations	50,000	By Furniture	60,000
To Subscriptions	1,20,000	By Miscellaneous Expenses	5,000
To Entrance Fees	10,000	By Investments	60,000
To Interest on Investments	1,000	By Insurance Premium	2,000
To Interest Received from Bank	4,000	By Billiard Table	80,000
To Sale of Old Newspapers	1,500	By Paper, ink, etc.	1,500
To Sale of Drama Tickets	10,500	By Drama Expenses	5,000
		By Balance c/d:	
		Cash and Bank	98,500
	3,37,000		3,37,000

Additional Information:

- (i) Subscriptions in arrear for the year ended 31st March, 2019 ₹ 9,000 and subscriptions in advance for the year ending 31st March, 2020 ₹ 3,500.
 (ii) Insurance Premium outstanding ₹ 400.
 (iii) Miscellaneous expenses prepaid ₹ 900.
 (iv) 8% interest has accrued on investment for five months.
 (v) Billiard Table costing ₹ 3,00,000 was purchased during last year and ₹ 2,20,000 were paid for it.

[Ans.: Surplus—₹ 1,66,500; Capital Fund (Beginning)—₹ 3,60,000;
 Balance Sheet Total (31.3.2019)—₹ 5,30,400.]

48. Following Receipts and Payments Account was prepared from the Cash Book of Delhi Charitable Trust for the year ending 31st March, 2019:

Dr. RECEIPTS AND PAYMENTS ACCOUNT for the year ending 31st March, 2019 Cr.			
Receipts	₹	Payments	₹
To Balance b/d:		By Charity	1,15,000
Cash in Hand	1,15,000	By Rent and Taxes	32,000
Cash at Bank	1,26,000	By Salary	60,000
To Donation	90,000	By Printing	6,000
To Subscription	4,28,000	By Postage	3,000
To Legacy Donations	1,80,000	By Advertisements	45,000
To Interest on Investment	45,000	By Insurance	20,000
To Sale of Old Newspapers	2,000	By Furniture	2,16,000
		By Investment	2,30,000
		By Balance c/d:	
		Cash in Hand	99,000
		Cash at Bank	1,60,000
	9,86,000		9,86,000

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Prepare Income and Expenditure Account for the year ended 31st March, 2019 and Balance Sheet as on that date after the following adjustments:

- Insurance premium was paid for insurance taken w.e.f. 1st July, 2018.
- Interest on investment ₹ 11,000 accrued was not received.
- Rent ₹ 6,000; Salary ₹ 9,000 and advertisement expenses ₹ 10,000 outstanding as on 31st March, 2019.
- Legacy Donation is towards construction of Library Block.

(NCERT, Modified)
[Ans.: Surplus—₹ 2,75,000; Capital Fund (1st April, 2018)—₹ 2,41,000;
Total of Closing Balance Sheet—₹ 7,21,000.]

49. Given below is the Receipts and Payments Account of a Mayur Club for the year ended 31st March, 2019:

RECEIPTS AND PAYMENTS ACCOUNT			
Dr.	₹	Cr.	₹
Receipts		Payments	
To Balance b/d	1,02,500	By Salaries	60,000
To Subscriptions:		By Expenses	7,500
2017-18	4,000	By Drama Expenses	45,000
2018-19	2,05,000	By Newspapers	15,000
2019-20	6,000	By Municipal Taxes	4,000
To Donations	54,000	By Charity	35,000
To Proceeds of Drama Tickets	95,000	By Investments	2,00,000
To Sale of Waste Paper	4,500	By Electricity Charges	14,500
		By Balance c/d	90,000
	4,71,000		4,71,000

Prepare club's Income and Expenditure Account for the year ended 31st March, 2019 and Balance Sheet as at that date after taking the following information into account:

- There are 500 members, each paying an annual subscription of ₹ 500, ₹ 5,000 are still in arrears for the year ended 31st March, 2018.
- Municipal Taxes amounted to ₹ 4,000 per year is paid up to 30th June and ₹ 5,000 are outstanding of salaries.
- Building stands in the books at ₹ 5,00,000.
- 6% interest has accrued on investments for five months.

[Ans.: Capital Fund (1st April, 2018)—₹ 6,12,500; Surplus—₹ 2,22,500;
Balance Sheet Total—₹ 8,46,000.]

(Hint: Since, yearly Municipal Taxes are ₹ 4,000, ₹ 1,000 must have been paid during the previous year for the current year. As per question, Municipal Taxes amounted to ₹ 4,000 per year have been paid up to 30th June, 2019, it means, out of ₹ 4,000, ₹ 1,000 for three months (i.e., ₹ 4,000 × 1/4) relate to next year.)

50. From the following Receipts and Payments Account of Kapil Dev Club and from the given additional information, prepare Income and Expenditure Account for the year ending 31st March, 2019 and the Balance Sheet as at that date:

RECEIPTS AND PAYMENTS ACCOUNT for the year ending 31st March, 2019			
Dr.	₹	Cr.	₹
Receipts		Payments	
To Balance b/d	1,90,000	By Salaries	3,30,000
To Subscriptions	6,60,000	By Sports Material	4,00,000
To Interest on Investments @ 8% p.a. for full year	40,000	By Balance c/d	1,60,000
	8,90,000		8,90,000

Additional Information:

- The club had received ₹ 20,000 for subscription in 2017-18 for 2018-19.
- Salaries had been paid only for 11 months.
- Stock of sports materials on 31st March, 2018 was ₹ 3,00,000 and on 31st March, 2019 ₹ 6,50,000.

[Ans.: Surplus (excess of income over expenditure)—₹ 3,10,000; Capital Fund on
1st April, 2018—₹ 9,70,000; Balance Sheet Total—₹ 13,10,000.]

51. From the following information and the Receipts and Payments Account of Delhi Medical Society, prepare Income and Expenditure Account for the year ended 31st March, 2019 and Balance Sheet as at that date:

RECEIPTS AND PAYMENTS ACCOUNT for the year ended 31st March, 2019			
Dr.	₹	Cr.	₹
Receipts		Payments	
To Balance b/d	31,900	By Rent	16,800
To Entrance Fees	5,500	By Wages	24,500
To Subscriptions	1,80,000	By Lighting Charges	7,200
To Donations	16,500	By Books	24,800
To Life Membership Fees	25,000	By Medicines (Polio Eradication Project)	1,00,000
To Government Grant (Polio Eradication Project)	2,00,000	By Salaries to Doctors (Polio Eradication Project)	80,000
To Proceeds of Seminar	23,200	By Office Expenses	45,000
To Interest on Deposits	2,400	By 8% Fixed Deposits (On 1st October, 2018)	1,20,000
		By Seminar Expenses	20,200
		By Cash in Hand	26,000
		By Bank A/c (Polio Eradication Project)	20,000
	4,84,500		4,84,500

Other Information:

On 31st March, 2018, the Club possessed books of ₹ 2,00,000 and Furniture of ₹ 85,000. Provide depreciation on these assets @ 10% including the purchases during the year.

Subscriptions in arrears in the beginning of the year amounted to ₹ 3,500 and at the end of the year ₹ 5,500 were outstanding.

The Club paid three months' rent in advance both in the beginning and at the end of the year.

[Ans.: Surplus—₹ 87,320; Capital Fund (1st April, 2018)—₹ 3,24,600;
Balance Sheet Total—₹ 4,56,920.]

52. Receipts and Payments Account of Shankar Sports Club is given below for the year ended 31st March, 2019:

RECEIPTS AND PAYMENTS ACCOUNT for the year ended 31st March, 2019			
Dr.	₹	Cr.	₹
Receipts		Payments	
To Cash in Hand (Opening)	2,600	By Rent	18,000
To Entrance Fee	3,200	By Wages	7,000
To Donation for Building	23,000	By Billiard Table	14,000
To Locker Rent	1,200	By Furniture	10,000
To Life Membership Fee	7,000	By Interest	2,000
To Profit from Entertainment	3,000	By Postage	1,000
To Subscription	40,000	By Salary	24,000
		By Cash in Hand (Closing)	4,000
	80,000		80,000

Prepare Income and Expenditure Account and Balance Sheet with the help of following information:

Subscription outstanding on 31st March, 2018 is ₹ 1,200 and ₹ 2,300 on 31st March, 2019; opening stock of postage stamps is ₹ 300 and closing stock is ₹ 200; Rent ₹ 1,500 related to the year ended 31st March, 2018 and ₹ 1,500 is still unpaid. On 1st April, 2018 the club owned furniture ₹ 15,000. Furniture valued at ₹ 22,500 on 31st March, 2019. The club has a loan of ₹ 20,000 (@ 10% p.a.) which was taken, in year ended 31st March, 2018.

[Ans.: Deficit—₹ 6,100; Opening Capital fund Deficit—₹ 2,400; Total of Closing Balance Sheet—₹ 51,500.]

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53. From the following particulars relating to the Ramakrishna Mission Charitable Hospital, prepare Income and Expenditure Account for the year ended 31st March, 2019 and Balance Sheet as at that date:

RECEIPTS AND PAYMENTS ACCOUNT for the year ended 31st March, 2019			
Dr.	₹	Payments	₹
Receipts		By Medicines	3,05,900
To Cash in Hand on 1st April, 2018	71,300	By Doctor's Honorarium	90,000
To Subscriptions	4,79,960	By Salaries	2,75,000
To Donations	1,45,000	By Petty Expenses	4,610
To Interest on Investments @ 7% for full year	70,000	By Equipments	1,50,000
To Proceeds from Charity Show	1,04,500	By Expenses on Charity Show	7,500
		By Cash in Hand on 31st March, 2019	37,750
	8,70,760		8,70,760

	As at 1st April, 2018 (₹)	As at 31st March, 2019 (₹)
Additional Information:		
- Subscriptions Due	2,400	2,800
Subscriptions Received in Advance	640	1,000
Stock of Medicines	88,100	97,400
Estimated value of Equipments	2,12,000	3,16,000
Building (cost less depreciation)	4,00,000	3,80,000

[Ans.: Capital Fund (Opening)—₹ 17,73,160; Surplus—₹ 59,790; Balance Sheet Total—₹ 18,33,950.]

- [Hints: 1. Investment = ₹ 70,000 × 100/7 = ₹ 10,00,000.
This investment will appear in the opening and closing Balance Sheets.
2. Subscription credited to Income and Expenditure Account will be ₹ 4,80,000.]

54. Following is the Receipt and Payment Account of Women's Welfare Club for the year ended 31st March, 2019.

RECEIPTS AND PAYMENTS ACCOUNT for the year ended 31st March, 2019			
Dr.	₹	Payments	₹
Receipts		By Salary	1,25,000
To Cash in Hand	22,500	By Stationery	17,000
To Cash at Bank	50,000	By Electricity Charges	95,500
To Subscriptions	8,17,500	By Insurance	75,000
To Donations	30,000	By Equipments	3,00,000
To Government Grant	1,50,000	By Petty Expenses	5,000
To Sale of Newspapers	3,000	By Expenses on Charity Show	1,29,000
To Proceeds of Charity Show	1,65,000	By Newspapers	10,000
To Interest on Investments @ 10% for full year	70,000	By Lectures Fee	1,65,000
To Sundry income	4,000	By Honorarium to Secretary	1,20,000
		By Cash in Hand	20,500
	13,12,000	By Cash at Bank	2,50,000
			13,12,000

Additional Information:

Particulars	1st April, 2018 (₹)	31st March, 2019 (₹)
Outstanding Salaries	12,000	18,000
Insurance Prepaid	7,000	3,000
Subscription Outstanding	37,500	25,000
Subscription received in advance	17,500	10,000
Electricity charges outstanding	—	12,500
Stock of Stationery	22,500	7,000
Equipments	2,56,000	5,02,000
Building	12,00,000	11,40,000

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Prepare Income and Expenditure Account for the year ended 31st March, 2019 and Balance Sheet as on that date.

[Ans.: Surplus—₹ 3,41,000; Opening Capital Fund on 1st April, 2018—₹ 22,66,000; Balance Sheet Total—₹ 26,47,500.]

[Hint: Government Grant is accounted as Revenue Receipt as it is not stated whether it is specific or general.]

EVALUATION QUESTIONS: QUESTIONS WITH MISSING VALUES

1. In the following Income and Expenditure Account for the year ended 31st March, 2019 and Balance Sheet as on that date, determine the missing information:

INCOME AND EXPENDITURE ACCOUNT for the year ended 31st March, 2019			
Dr.	₹	Income	₹
Expenditure			
To Salaries	2,64,000	By Subscription	5,28,000
Add: Outstanding Salaries	?	? Advance Subscription in beginning of 2018-19	16,000
To Depreciation on Sports Equipment	40,000	By Interest on Investment	?
To Surplus (Excess of Income over Expenditure)	?		
	5,76,000		5,76,000

BALANCE SHEET as at 31st March, 2019

Liabilities	₹	Assets	₹
Capital Fund	?	Investment	4,00,000
Add: Surplus	?	Stock of Sports Material	5,20,000
Salaries Outstanding	24,000	Cash at Bank	1,28,000
	?		?

Solution:

INCOME AND EXPENDITURE ACCOUNT for the year ended 31st March, 2019			
Dr.	₹	Income	₹
Expenditure			
To Salaries	2,64,000	By Subscription	5,28,000
Add: Outstanding Salaries	24,000	Add: Advance Subscription in beginning of 2018-19	16,000
To Depreciation on Sports Equipment	40,000		5,44,000
To Surplus (Excess of Income over Expenditure)	2,48,000	By Interest on Investment	32,000
	5,76,000		5,76,000

BALANCE SHEET as at 31st March, 2019

Liabilities	₹	Assets	₹
Capital Fund	7,76,000	Investment	4,00,000
Add: Surplus	2,48,000	Stock of Sports Material	5,20,000
Salaries Outstanding	24,000	Cash at Bank	1,28,000
	10,48,000		10,48,000