

# TEDS ACADEMY

## Grade 12, Accountancy

(Non-Profit Organization)

**Time 2 Hours**

**Marks: 50**

### **PART I**

**Answer any 20 questions all carries 2 marks each**

Select the Best Alternate

1. Receipts and Payments Account generally shows :
  - (A) A Debit balance
  - (B) A Credit balance
  - (C) Surplus or Deficit
  - (D) Capital Fund
2. Income and Expenditure Account records transactions of:
  - (A) Revenue nature only
  - (B) Capital nature only
  - (C) Both revenue and capital nature
  - (D) Income of only revenue nature and expenditure of revenue and capital nature.
3. Income and Expenditure Account reveals :
  - (A) Surplus or Deficiency
  - (B) Cash in Hand
  - (C) Net Profit
  - (D) Capital Account
4. The amount of 'Subscription received from members' by a Non-profit organization is shown in which of the following?
  - (A) Debit side of Income and Expenditure Account
  - (B) Credit side of Income and Expenditure Account
  - (C) Liability side of Balance Sheet
  - (D) Assets side of Balance Sheet
5. Donation received for a special purpose :
  - (A) Should be credited to Income and Expenditure Account

- (B) Should be credited to separate account and shown in the Balance Sheet
- (C) Should be shown on the assets side
- (D) Should not be recorded at all.

6. Subscription received by a school for organising annual function is treated as:

- (A) Capital Receipt (i.e., Liability)
- (B) Revenue Receipt (i.e., Income)
- (C) Asset
- (D) Earned Income

7. The amount of 'Entrance Fees' received by a Non-profit organisation (if it is received regularly) is shown in which of the following?

- (A) Liability side of Balance Sheet
- (B) Assets side of Balance Sheet
- (C) Debit side of Income and Expenditure Account
- (D) Credit side of Income and Expenditure Account

8. Out of following items, which one is shown in the Receipts and Payments Account?

- (A) Outstanding Salary
- (B) Depreciation
- (C) Life Membership Fees
- (D) Accrued Subscription

9. Not-for-profit organisations prepare :

- (A) Trading Account
- (B) Trading & Profit and Loss Account
- (C) Income and Expenditure Account
- (D) All of the above

10. The Receipts and Payments Account is a summary of:

- (A) Debit and Credit balance of Ledger Accounts
- (B) Cash Receipts and Payments
- (C) Expenses and Incomes
- (D) Assets and Liabilities

11. Receipts and Payments Account is a :

- (A) Personal Account
- (B) Real Account
- (C) Nominal Account
- (D) Real and Nominal Account, both

12. Income and Expenditure Account is a :

- (A) Personal Account
- (B) Real Account
- (C) Nominal Account
- (D) Real and Nominal Account, both

13. Credit side balance in Income & Expenditure Account reveals :

- (A) Excess of cash receipts over payments
- (B) Excess of cash payments over receipts

- (C) Excess of expenditure over income
- (D) Excess of income over expenditure

14. Source of income for a not-for-profit organisation is :

- (A) Subscription from Members
- (B) Donation
- (C) Entrance Fees
- (D) All of the above

15. Which of the following represent capital receipt:

- (A) Life Membership Subscription
- (B) Donation
- (C) Subscription
- (D) Interest on Investments

16. Amount received from sale of grass by a club should be treated as :

- (A) Capital Receipt
- (B) Revenue Receipt
- (C) Asset
- (D) Earned Income

17. The amount received for sale of old sports materials by a Non-profit organisation is shown in which of the following?

- (A) Debit side of Income and Expenditure Account
- (B) Liability side of Balance Sheet
- (C) Credit side of Income and Expenditure Account
- (D) Assets side of Balance Sheet

18. If there is a 'Match Fund', then match expenses and incomes are transferred to:

- (A) Income and Expenditure A/c
- (B) Assets side of Balance Sheet
- (C) Liabilities side of Balance Sheet
- (D) Both Income and Expenditure A/c and to Balance Sheet

19. Subscription received in advance during the current year is :

- (A) an income
- (B) an asset
- (C) a liability
- (D) none of these

20. Subscription received in cash during the year amounted to ₹40,000; subscription outstanding at the end of previous year was ₹1,500 and outstanding at the end of current year was ₹2,000. Subscription received in advance for next year was ₹800. The amount credited to Income & Expenditure Account will be:

- (A) ₹38,700
- (B) ₹39,700
- (C) ₹40,300
- (D) ₹41,300

21. Subscription received in cash during the year amounted to ₹5,00,000; subscription outstanding at the end of previous year was ₹20,000 and outstanding at the end of current year was ₹25,000. Subscription received in advance for next year was ₹8,000 and received in advance during previous year was ₹7,000. The amount credited to Income & Expenditure Account will be :

- (A) ₹5,04,000  
 (B) ₹5,06,000  
 (C) ₹4,96,000  
 (D) ₹4,94,000

22. Subscription received in cash during the year amounted to 760,000; subscription received in advance for next year was 73,000 and received in advance during previous year was 72,000. Subscription in arrear at the end of current year was 75,400. The amount credited to Income & Expenditure Account will be :

- (A) ₹53,600  
 (B) ₹66,400  
 (C) ₹55,600  
 (D) ₹64,400

## **PART II**

.The following with Receipts and Payments Account of Royal Club for the year ended 31-3-2015. Prepare Income and Expenditure account and Balance Sheet as on 31-3-2015

Receipts and Payments a/c			
Receipts	Amount	Payment	Amount
Balance B/d:		Honorarium to secretary	1,550
Cash in hand	1,500	Rent	2,500
Cash at Bank	6,300	Salary	4,300
Entrance Fees	3,200	Sports Tournament Expenses	2,,800
Subscription 2013-14	500	Investment	4,000
Subscription 2014-15	15,500	Stationery	750
Subscription 2015-16	700	Advertisement	550
Sale of old news paper	320	Balance c/d	
Sports Tournament Fund	4,000	Cash in hand	2,200
		Cash at bank	13,370
	32,020		32,020

The following further information is available:

	1.1.2014	31.3.2015
Stock of Stationery	240	30
Sports Tournament Fund	3,000	200
Salary prepaid	500	300
Land and Building	25,000	
Furniture	8,000	

The club has 1200 members, each paying an annual subscription of Rs.15/- Land and building and furniture requires depreciation @10%. The entire amount of Life Membership fee be capitalized.

[10 MARKS]