

CHAPTER – 1

ACCOUNTING FOR NOT-FOR-PROFIT ORGANIZATIONS

Define NPO	NPO's are voluntary organisations founded with objective of promoting art, culture, education and other social and charitable purpose without any intention of earning profit. For examples hospitals,colleges,schools,universities,religious organisations, culture institutions, professional accounting bodies i.e. ICAI/ICSI etc.	
	NPO's	Profit making entities
Difference between NPO's and Profit making organisation	<ol style="list-style-type: none"> 1. The ultimate goal is to serve the community interest 2.it receives its fund in the form of donations, subscriptions, etc. known as capital fund. 3. Their final accounts includes receipt and payment a/c, income and expenditure a/c and balance sheet 4. The net result of the activities of such entities is known as the surplus/ deficit 	<ol style="list-style-type: none"> 1. The ultimate goal is the earn profit. <p>It receives its fund from its owners or partners, known as capital</p> <p>Their final accounts includes Trading a/c, Profit & Loss a/c and balance sheet</p> <p>The net result of the activities of such entities is known as the profit/loss.</p>
Difference between receipts and payment account and income and expenditure a/c or features of receipts and payment account and income and expenditure account	<p>Receipts and payment account</p> <ul style="list-style-type: none"> • It is prepared on the basis of cash book • It is real account • It records all types of transactions whether revenue or capital nature and relates to any year 	<p>Income and expenditure account</p> <ul style="list-style-type: none"> • It is like p & l a/c i.e. It is a Nominal A/c • It records only revenue transactions related to current year only i.e. after adjustments • If follows accrual basis of accounting

	<ul style="list-style-type: none"> • It follows cash basis of accounting. • It starts with the opening balance of cash and bank and ends with closing balance of cash and bank 	<ul style="list-style-type: none"> • It does not have an opening balance. At the end it shows the surplus i.e. excess of income over expenses or deficit i.e. excess of expenses over income
Difference between receipt and payment a/c and cash book	<p>Receipt and payment account</p> <ul style="list-style-type: none"> • It is prepared by not for profit organisation. • It is prepared on the basis of cash book. • It is prepared at the end of accounting year. 	<p>Cash book</p> <ul style="list-style-type: none"> • It is prepared by all the organisations. • It is prepared on the basis of source documents/vouchers. • It is recorded on daily basis.
Difference between income and expenditure a/c and profit and loss a/c	<p>Income and expenditure a/c</p> <ul style="list-style-type: none"> • It is prepared by not for profit organisation • It is prepared on the basis of receipt and payment a/c and other information • The main objective is to find out surplus or deficit 	<p>Profit and loss a/c</p> <p>It is prepared by profit making organisations</p> <p>It is prepared on the basis of trial balance and other information. The main objective is to find net profit or loss.</p>
Fund based accounting	<p>It refers to the accounting whereby receipts and incomes related to a particular fund like building fund sports fund, prize fund etc. Credited to that particular fund and payments like construction of building expenses on sports, prizes distributed etc. Debited to it. Therefore receipts and payments on account of such funds are not recorded in the income and expenditure account</p>	

Treatment of specific items	items	definition	Treatment in income and expenditure account	Treatment in balance sheet
	Subscription	It is the periodical amount paid/ contributed by the members at regular interval. It will be treated as revenue receipt.	As an income	Outstanding as an asset and advance received as a liabilities

	Consumable items like stationery, medicines, books, sports material etc.	Consumable amount will be treated as revenue expenditure	as an expenditure	Stock of consumable item as an Asset, prepaid expenses related to it as an asset and outstanding expenses related to it as a liabilities
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	Donation	It is the amount donated by any person, it may be of two types 1. general donation-it can be used for any purpose, it will be treated as revenue receipts	General donation will be shown as an income	Specific donation as a liabilities
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		2. Specific donation like donation for library-it can be used only for specific purpose, it will be treated as capital receipts. Any expenses related to it will be deducted from it in balance sheet		
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	<ul style="list-style-type: none"> ■ Entrance/ admission fees 	It is received from the new members at the time of admission/entrance in the organisation. It will be treated as revenue receipt.	As an income	
	<ul style="list-style-type: none"> ■ Sale of old sports material sale of old newspapers /periodicals, general government grant-interest received on fixed deposit/ investment, proceeds from show, locker rent 	It will be treated as revenue receipts	As an income	

	<ul style="list-style-type: none"> ■ Life membership Fees 	Some club and societies members can make a payment for life membership i.e. they can enjoy the facilities of the club/ societies for the rest of the life. It will be treated as capital receipts		As a Liabilities
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	■ legacy	It is in nature of gift in cash or property as per the will.it will be treated as capital receipts		As a liabilities
	endowment fund	It is a fund arising from bequest or gift, the income of which is devoted to a specific purpose as specify by the donor. It will be treated as capital receipt		As a liabilities
	honorarium	It is the amount paid to the person(outsider) to reimburse the actual expenses incurred for delivering a lecture or giving his performance as an artist. It will be treated as revenue expenditure	As an expenses	
	upkeep of lawn, maintenance of ground, normal repair charges, municipal taxes, expenses on show, news paper, magazines, rent, insurance	Treated as revenue expenses.	As expenses	

	sale/ purchase of fixed assets like furniture, building, sports equipment, books, investment,	It will not be shown in the income and expenditure account, however profit or loss on sale of fixed asset and depreciation will be treated as revenue item.	Profit on sale as an income and loss/depreciation as an expenditure	Purchase in asset added and book value of asset sold deducted from relevant asset
	treatment of specific funds like sports fund,prize fund,tourna ment fund etc.	It will be treated as capital receipts, any expenses related to it will not be shown in income and expenditure account i.e. deducted from relevant fund in the balance sheet.	If fund is less than the expenditure related to it than difference will be as an expenses	As an liabilities
	Specific fund investment like sports fund investment, prize fund investment, tournament fund investment	Sometimes organisation invested the specific fund into outside in specified securities,called specific fund investment..it will be treated as capital expenditure.		As an asset
	Interest on specific fund investment	Interest received will be treated as capital receipt and added in the relevant fund in the balance sheet		Added in relevant fund

	Outstanding interest on specific fund investment	It will be treated as capital item		Added in relevant fund and also as an asset
	General fund, general fund investment, interest on general fund investment	General fund will be treated as capital receipt, general fund investment as capital expenditure and interest as a revenue receipt.	Interest as an income	General fund as a liability and general fund investment as an asset
	Grant	<p>It is an amount of money given specially by the government. It may be of two types.</p> <p>1. General grant it can be used for any purpose. it will be treated as revenue receipts</p> <p>2. Special grant-it can be used only for specific purpose. it will be treated as capital receipts. Any expenses related to it will be deducted from it in balance sheet</p>	General grant as an income	Special grant as a liabilities

Important formats

Total Subscription/Income/Expense for CY

1st January 20..... (opening)		31st December 20.... (closing)	
← Outstanding(-)	xxxxx	← Outstanding (+)	xxxxx
(+) Advance/Prepaid→	xxxxx	(-)Advance/Prepaid→	xxxxx

Subscription Account

Particulars	Amounts	Particulars	Amounts
To Balance b/d(Out. at the beg)	xxxxx	By Balance b/d(Adv. at the beg)	xxxxx
To Income & Expenditure A/c(bal. fig.)	xxxxx	By Cash A/c(Sub. received during the year)	xxxxx
To Balance c/d (Adv. at the end)	xxxxx	By Bad debts(if any)	xxxxx
		By Balance c/d(Out. At the end end)	
	xxxxx		xxxxx

Statement showing calculation of subscription

Total Subscription received during the year(whether relates to any year)	xxxxx
Less: Subscription o/s at the beg. Of current year	xxxxx
Less: Advance Subscription received during the current year(relates to any future period)	xxxxx
Add: O/s Subscription at the end of current year(including sub. o/s for p/y year till the end of current year)	xxxxx
Add: O/s Subscription received in advance at the end of current year	xxxxx
Subscription to be shown in income and expenditure a/c	xxxxx

Note- subscriptions o/s as on means total o/s subscription on a particular date(including previous year o/s if any till date) and subscription o/s for the year means only relates to current year, for at the end we have to add o/s for p/y till date in this.

Treatment Of Consumable Items

Illustration:

From the following information, calculate the amount of stationery to be debited to the income and expenditure account of a charitable trust

RECEIPTS AND PAYMENT ACCOUNT(AN EXTRACT).

For the year ended 31st march 2018

Receipts	amount	Payments	amount
To sale of stationery (book value Rs. 90000)	120000	By creditors for stationery	300000
		By cash purchases of stationery	100000

ADDITIONAL INFORMATION:

Particulars	AS at 1 st April ,2017	As at 31 st March,2018
Stock of stationery ,	75000	100000
Creditors of stationery	30000	70000
Advance paid for stationery	10000	15000

Answer:

Payments made during the year as per receipts and payment account	300000	Treatment of items
Add: advance payments for stationery at the end of PY or in the beginning of current year	10000	Asset on 31/3/17

Less: Creditors for stationery at the end of PY or in the beginning of current year	30000	Liabilities on 31/3/17
Less: advance payments for stationery at the end of current year	15000	Asset on 31/3/18
Credit purchase during the year	335000	
Add: cash purchases (if any)	100000	
Total purchase during the year	435000	
Add: opening stock of stationery	75000	Asset on 31/3/17
Less: closing stock of stationery	100000	Asset on 31/3/18
Less: sale of stationery (cost price) if any	90000	
Amount of stationery consumed	320000	Expenses in income and expenditure account

NOTE: if purchase of consumable item is given instead of payment than o/s creditors and advance paid to creditors will not be adjusted (add or less) in the above format. In this case consumed amount will be= op. Stock+purchases-closing stock- sale of consumable item (if any)

Credit Purchase

Payment made to creditors	xxxxx
Add: Closing balance of Creditors	xxxxx
Less: Opening balance of Creditors	xxxxx
Credit purchase of consumable items	xxxxx

Receipt and Payment Account

Receipts	Amount	Payments	Amount
		Balance b/d	
Balance b/d		Cash at Bank(overdraft)	xxxxx
Cash in hand	xxxxx	Capital payments:	
Cash at bank	xxxxx	Building construction	

Capital Receipts:		Sports equipments or materials	xxxxx
Legacies	xxxx	Cost of leasehold land	xxxxx
Sale of office furniture	xxxxx	Investments	xxxxx
Sale of sports equipments	xxxxx	Advance for purchase of buildings	xxxxx
Donations for special purposes e.g., building, prizes etc.		Government's loan	xxxxx
Life membership fees	xxxxx	Furniture	xxxxx
Sale of investments	xxxxx	Revenue payments:	xxxxx
Endowment fund receipts	xxxxx	Prizes paid	xxxxx
		Entertainment expenses	xxxxx
		Printing and stationery	xxxxx
Receipt on account of special funds e.g., Prize fund, tournament fund etc.	xxxxx	Newspapers and periodicals	xxxxx
Interest on specific fund		Repairs	xxxxx
Investments	xxxxx	Postages	xxxxx
Entrance fees	xxxxx	honorarium	xxxxx
Revenue Receipts:	xxxxx	Expenses on special food to patients	xxxxx
Subscriptions	xxxxx	Insurance, rent, salaries	xxxxx
General donations	xxxxx	Advertisement	xxxxx
Proceeds from entertainments	xxxxx	Audit fee	xxxxx
Interest or dividends	xxxxx		
sale of old newspapers, waste papers etc.	xxxxx	Telephone, electric charge	xxxxx
Miscellaneous receipts	xxxxx	Gardening	xxxxx
Balance c/d	xxxxx		

Cash at bank (Bank overdraft)	xxxxx	Bar expenses	xxxxx
		Up-keep of lawns	xxxxx
		Municipal taxes	xxxxx
		Charity	xxxxx
		Printing of year book	xxxxx
		Drawings	xxxxx
		Balance c/d (closing balance)	xxxxx
		Cash in hand	xxxxx
		Cash at bank	xxxxx
	xxxxx		xxxxx

Note: There will be either or the two amounts i.e., bank overdraft or cash at bank and not both.

Income and Expenditure Account

Expenditure	Amount	Income	Amount
Expenses account(e, g, salary):		Income Account: (e.g., subscriptions)	
Total salaries paid during the year xxxxx		Total amount of subscriptions received during the year xxxxx	
Add: Outstanding at the end xxxxx		Add: Outstanding at the end	
Less: outstanding in the beginning xxxxx		Less: outstanding in the beginning xxxxx	
(or accrual amount paid for last year)		(or actual amount of last year received this year)	
Add: Advance paid in the previous year xxxxx		Add: Advance received last year xxxxx	
Less: Advance paid for the salaries in the current year xxxxx		Less: Advance received this year xxxxx	xxxxx
Salary of the year	xxxxxx		
Expenses on consumable materials: (e.g., stationery)	xxxxxx	Current Income:	xxxxxx
		Profit on sale of asset :	
		Sale price of the asset xxxxx	

Opening stock of stationery xxxx		Less: Book value of the asset sold xxxxx _____	
Add: Purchases during the year xxxx		Net profit on sale	xxxxx
Less: Creditors for stationery in the beginning xxxx		Receipts for specific items (Cinema shows) xxxx	
Add: Creditors for stationery at the end xxxx		Less: Amount spent xxxx	
Add: Advance payments for stationery last year xx		Net Income on specific item:	xxxxx
Less: Advance payments for stationery in the current year xxxxx		Other income and gains with adjustments	xxxxx
Less: Stock of stationery at the end xxxxx		Excess of Expenditure over Income to be deducted from the Capital Fund in the Balance Sheet (Balancing Figure)	xxxxx
Stationery actually consumed xxxxx			
Loss on the sale of an asset:			
Book value of the asset			
Less: Sale price _____			
Net loss on sale xxxxx	xxxxx		
Other expenses and losses after necessary adjustments xxxxx	xxxxx		
Expenses for specific purpose (e.g., cinema shows) Expenses paid xxxxx			
Less: Collection xxxxx			
Net expenses of specific item xxxxx	xxxxx		
Depreciation xxxxx	xxxxx		
Excess of Income over Expenditure to be added to Capital Fund in the Balance Sheet (Balancing Figure) xxxxx	xxxxx		
	xxxxx		xxxxx

Note: Either of the two balancing figure at the end.

Balance Sheet

As on

Liabilities	Amounts	Assets	Amounts
Capital Fund: Opening Balance xxxx Add: Excess of Income over Expenditure xxxx		Assets: Last Balance xxxx Add: Purchase in the current year xxxx Closing Balance xxxxx	
Or		Stock of Consumable Materials Balance as given in the question	xxxxx
Less: Excess of Expenditure over xxxx Income	xxxxx	Or Last Balance xxxx Add: Purchase during the year xxxx Less: Value consumed during the year xxxx	
Capitalised Income of the Current year on account of: Legacies xxxxx Life Membership Fees (These may be added to Capital Fund too) xxxxx Special Fund/Donations Last Balance (if any) xxxx Add: Receipts for the item during the year xxxx Add: Income earned on Fund Investment xxxx Less: Expenses paid out of Fund/Donations xxxx	xxxxx	Closing Balances: Cash in hand xxxxx Cash at bank in Current Account, Fixed Deposit Account xxxxx etc.	xxxxx
Creditors for Purchases of Supplies xxxxx Bank Overdraft (at the end) Outstanding Expenses Last Balance b/d xxxxx Less: Paid during the year Add: Outstanding at the end Income Received in Advance at end xxxxx	xxxxx	Outstanding Income Last Balance xxxx Less: Received in the Current year xxxx Net Balance xxxxx Pre-paid Expenses at the end xxxxx	xxxxx
	xxxxx		xxxxx

Receipt and Payment Account For the Year Ended 31.12.2017

Its left hand side is called "Receipts" and right hand side "payments". On the left hand side all cash receipts are recorded, while on the right hand side all cash payments are recorded arranged in a classified form. It starts with last year's closing cash in hand and cash at bank and closes with current year's closing cash in hand and cash at bank. In other words, its opening balance indicates last year's closing cash in hand and cash at bank, while its closing balance means current year's closing cash in hand and cash at bank.

Example:

From the following cash book prepare receipts and payments account for the year ended 31 December 2017.

Cash Book

Dr.				Cr.			
Date	Particular	L/R	Amount	Date	Particular	L/R	Amount
2017				2017			
Jan. 1	Balance b/d		250	Jan. 5	Rent		200
Feb. 2	Subscription		600	Jan.16	Traeveling expenses		15
Mar. 10	Admission fee		25	Fed. 12	Salaries		250
Apr.5	Subscription		950	Mar. 17	Entertainment expenses		50
May. 20	Sale of old newspapers		10	Apr. 20	Electric charges		20
June 3	Subscription		880	May 5	Furniture		300
July 15	Adimission fee		30	May 10	Postage		18
Aug. 20	Sale of old newspaper		15	June 3	Sattionary		120

Sep. 5	Donation		100	July 12	Electric charges		30
Oct. 1	Sale of old furniture		150	Aug. 3	Newspaper		25
Nov. 15	Donation		50	Sep. 15	Salaries		320
Dec. 28	Subscription		250	Sep. 20	Newspaper		65
				Oct. 3	Traveling expenses		25
				Oct. 12	Postage		12
				Nov. 5	Rent		300
				Nov. 16	Entertainment expenses		80
				Dec. 5	Books		450
				Dec. 12	Salaries		350
				Dec. 25	Rent		130
				Dec. 31	Blance c/d		550
			-----				-----
			3,310				3,310
2018			-----				-----
Jan. 1			550				

Solution:

ABC Club
Receipt and Payment Account
For the year ended 31st December, 2017

Receipts	AMOUNT	Payments	AMOUNT
Balance b/d	250	Rent [200+300+130]	630
Subscription [600+950+880+250]	2,680	Traveling expenses [15+25]	40
Admission fee [25+30]	55	Salaries [250+320 + 350]	920
Sale of old newspaper [10+15]	25	Entertainment expenses [50+80]	130
Donation [100 + 50]	150	Electric charges [20+30]	50
Sale of old furniture	150	Furniture	300
		Postage [18+12]	30
		Stationary	120
		Newspaper [25+65]	90
		Books	450
		Balance c/d	550
	-----		-----
	3,310		3,310
	-----		-----
Balance b/d	550		

Illustration : - 1	Rs.
Subscription received during 2017-18	50,000
Subscription outstanding on 31-3-18	8,000
Subscription outstanding on 1-04-17	6,000
Subscription received in advance on 31-3-18	3000
Subscription received in advance on 31 -3-17	5000

calculate the amount of subscription to be credited to Income & Expenditure a/c for the yr. 2017-18.

Ans.1	Rs.
Subscription received during the yr.	50,000
Add: Subscription outstanding on 31-3-18	8000
Add: subscription received in advance on 31 -3-17	5000

	63,000
Less: Subscription outstanding on 1-04-17	6,000
Less: Subscription received in advance on 31-3-18	3000
Amount to be credited to Income & Expenditure A/c =====>	54,000

Illustration : - 2	Rs.
DELHI Club received subscription during the yr. 2015-16	1,50,000
Subscription received in advance on 31 -3-15	4,500
Subscription received in advance on 31 -3-16	5,100
Subscription outstanding on 31-3-16 for 2015-16	3,800
Subscription outstanding 2014-15 (of which Rs.4,000 received in 2015-16)	6,000
Calculate the subscription to be taken to Income & Exp. a/c for 2015-16.	

Ans. 2	Rs.
Total Subscription Received during the yr. 2015-16	1,50,000
Add: Sub. Outstanding for 2015-16	5,800

Sub. Received in advance on 31-3-15		4,500

		1,60,300
Less: Sub received in advance on 31-3-16	5,100	
Sub. Outstanding on 31-3-15	6000	11,100
Sub for 2015-16 to be taken to Income & Exp. a/c. =====>		Rs. 1,49,200

Illustration :- 3

Ascertain the amount of salary chargeable to Income & Expenditure A/c for 2016-17

	Rs.
Total salaries paid in 2016-17	10,200
Prepaid salaries on 31 -3-2016	1,200
Prepaid salaries on 31-3-2017	600
Outstanding salaries on 31-3-2016	900
Outstanding salaries on 31-3-2017	750

Ans. 3

	Rs.
Total Salaries paid in 2016-17	10,200
Add: - Outstanding salaries on 31 -3-17	750
Prepaid salary on 31-3-16	1,200

	12,150
Less:-Outstanding on 31-3-16	- 900
Prepaid on 31-3-17	- 600

Salaries dr. to Income & Exp. A/c for 2016-17	10,650

Illustration: - 4

How would you deal with the following items in the Balance sheet of a NPO?

	Rs.
1. Donations received for Auditorium construction (Expected total cost of the auditorium Rs.40,00,000)	25,00,000
2. Expenditure on construction of Auditorium	21,00,000
3. opening balance of Auditorium fund	1,00,000
4. 10% Auditorium fund INVESTMENT	2000000
5. INTEREST ON Auditorium fund INVESTMENT	150000

Ans. 4

Balance Sheetf (As at=====)

Liabilities	Amount	Assets	Amount
Capital Fund	xxx	Auditorium in	21,00,000
		Progress	
Add: Transfer From Auditorium fund	21,00.000		
		10% Auditorium	2000000
Auditorium Fund 100000		fund	
		INVESTMENT	
Add: Donation 25,00,000		Accrued Interest	
Less: Transferred to		on Auditorium	50000
		fund	
Capital fund <u>21.00.000</u>		investment	
5,00,000			
Add: INTEREST ON			
Auditorium fund			
INVESTMENT 200000			
(150000+50000)	700000		

Illustration 5

Prize fund (1-4-16)	10000
Donation for prize fund	20000
5% prize fund investment	10000
Expenditure on prize distribution	50000
Interest on 5% prize fund investment	500

Ans.5.

**Income & Expenditure A/c
(Year ended on 31s' March 2017)**

Expenditure	Rs.	Income	Rs.
Distribution of prize	19500		

Balance Sheet as at 31.3.2017

Liabilities	Rs.	Assets	Rs.
Prize fund	10000		
Add: Donation for			
prize fund	20000		
Add: Interest on 5% prize Fund investment	500		

	30500		
Less: Distribution of Prize			
30500	*****		

Illustration 6 :-

From the following particulars of DELHI Charity Hospital, perpare Income & Expenditure a/c & the balance sheet as on 31st March 2017.

Receipts	Rs.	Payments	Rs.
To Cash in hand 1/4/16	7,130	By Medicines	30,590
To Subscriptions	47,996	By Doctor" s Honorarium	9,000
To Donations	14,500	By salaries	27,500
To Interest@ 7% on Bank			
Fixed Deposit For full yr.	7,000	Petty expenses	461
		By Equipments	15,000

To charity show proceeds	10,450	By charity show expenses	750
		Cash in hand 31/3/2017	3,775
	87,076		87,076

Additional information:	1/4/2016 Rs.	31.3.2017 Rs.
Subscription due	240	280
Subscription received in advance	64	100
Stock of medicines	8810	9740
Estimated value of equipment	21200	31600
Building (Cost less depreciation)	40000	38000

Ans. 6.

**Income & Expenditure A/c
(Year ended on 31s' March 2017)**

Expenditure	Rs.	Income	Rs.
To Medicines consumed		By Subscriptions	47996
Opening stock	8810	Add: O/S (of 2017)	280
Add: Purchases	30590	Advin 2016	64
Less: Closing, stock	9740	Less: O/S (of 2016)	240
	29660	Adv of 2017	100
			48000
To Doctor's honorarium	9000	By Donations	14500
To salaries	27500	By Interest on Bank FD	7000
To petty expenses	461	By charity show proceeds	10450
To expenses charity show	750		
To Depreciation: Equipment	4600		
Building	2000		

To Surplus	5979		
	79950		79950

Balance Sheet as at 31.3.2017

Liabilities	Rs.	Assets	Rs.
Advance Subscription	100	Cash in Hand	3775
Capital Fund 177316		Subscription o/s	280
Add: Surplus 5979	183295	Stock of Medicines	9740
		Bank Fixed Deposit	100000
		Equipments Op. 21200	
		+ Purchases 15000	31600
		- Depreciation 4600	
		Building 40000	
		- Depreciation 2000	38000
	183395		183395

Balance Sheet as at 31.3.2016

Liabilities	Rs.	Assets	Rs.
Advance Subscription	64	Cash	7130
Capital Fund (Bal. fig.)	177316	Subscription o/s	240
		Stock of Medicines	8810
		Bank Fixed Deposit	100000
		Equipments	21200
		Building	40000
	177380		177380

Working Notes: -

- Bank Deposit $\frac{7000 \times 100}{7} = \text{Rs. } 100000$
- Depreciation has been calculated on the basis of:
(Opening balance of the Asset + Purchases of Assets during the yr.) - the Closing balance of the Asset

ILLUSTRATION 7.

Prepare Income & Expenditure A/c & Balance Sheet of SPORTS Club DELHI for the yr. ended 31st march. 2017 from the following:

**Receipts & Payments A/c
(Year ended 31-3-2017)**

Receipts	Rs.	Payments	Rs.
Cash in hand b/d	4500	Salaries (11 months)	1100
Subscriptions: 2015-16 – 100 2017-18- 2400 2018-19- 200	2700	Tournament exp.	1600
		Investments	1000
		Furniture	400
Sale of old furniture (Costing Rs.200)	140	Stationery	1200
Tournament Receipts	2000	Sports expenses	15000
Sports Fund	10000	Misc. expenses	200
Donations for Sports	3000	Rent paid up-to may. 2017	1400
		Cash in hand	440
	22340		22340

The club has 300 members each paying an annual subscription of Rs.10. Rs.70 are still outstanding for the yr2015-.2016. In 2015-2016, 10 members had paid their subscription for 2017 in advance. Stock of stationery in 2016 was Rs. 100 & in 2017 Rs. 140.

On 1-4-2016, club owned Land & Building valued at Rs. 20.000& furniture of Rs. 1300. Interest accrued on investment @6% p.a. for 3 months for 2016-17

Ans. 7

**Income and Expenditure A/c
(Year ended 31st march 2017)**

Expenditure	Rs.	Income	Rs.
To Loss on sale of furniture	60	By Subscriptions 2700 Less: O/s (2015-16) 170 Less: Advance (2018-19) 200 Add: Advance (2016-17) 100 Add: O/s (2017-18) 570	3000
To sports expenses	2000		
To Salaries 1100		By Tournament Receipts	2000
Add: Outstanding 100	1200	By Accrued interest	15
To Tournament exp.	1600	By Deficit	2405
To stationery Op. Stock 100			
Add: Purchases 1200			
Less: Closing stock 140	1160		
To Misc. Exp.	200		
To Rent 1400 Less: Prepaid 200	1200		
	7420		7420

Balance Sheet as at 31.03.2017

Liabilities	Rs.	Assets	Rs.
Advance Subscriptions	200	Cash in hand	440
Salary o/s	100	Prepaid Rent	200
Capital Fund 25970 Less: Deficit 2405	23565	Subscription 500 Add: O/s 70	570

		Accrued Interst	15
		Stock of stationery	140
		Investment	1000
		Furniture 1300 Add: Purchase 400 Less: Sold 200	1500
		Land & Building	20000
	23865		23865

Balance Sheet as at 31.03.2016

Liabilities	Rs.	Assets	Rs.
Advance Subscription	100	Cash in hand	4500
Capital Fund (Bal fig)	25970	Subscription o/s	170
		Stock of stationery	100
		Furniture	1300
		L and & Building	20000
	26070		26070