

1.

From the following information, prepare Opening and Closing Balance Sheets:

	31st March 2012	31st March 2013
	Rs	Rs
Building (subject to 10% depreciation)	30,000	?
Furniture (subject to 10% depreciation)	-	10,000
Stock of Sports Materials	2,500	1,000
Prepaid Insurance	1,500	3,000
Outstanding Subscription	6,000	4,000
Advance Subscription	3,000	2,000
Outstanding Locker Rent	-	3,000
Advance Locker Rent received	-	1,000
Outstanding Rent for Godown	3,000	1,500
12% General Fund Investments	1,00,000	?
Accrued Interest on above	-	2,000
Cash Balance	500	32,000
Bank Balance	1,000	-
Bank Overdraft	-	1,000

Note: Entrance Fees received Rs 10,000, Life Membership Fees received Rs 10,000, Surplus from Income & Expenditure Account Rs 30,000. It is the policy of the club to treat 60% of Entrance Fees and 40% of Life Membership Fees as of revenue nature.

(10 Marks)

SOLUTION 1

BALANCE SHEET AS AT 31ST MARCH 2012

Liabilities	Rs	Assets	Rs
Outstanding Rent	3,000	Building	30,000
Advance Subscription	3,000	Stock of Sports Materials	2,500
Capital Fund (Balancing Figure)	1,35,500	Prepaid Insurance	1,500
		Outstanding Subscription	6,000
		12% General Fund Investments	1,00,000
		Cash Balance	500
		Bank Balance	1,000
	1,41,500		1,41,500

BALANCE SHEET AS AT 31ST MARCH 2013

Liabilities	Rs	Assets	Rs
Outstanding Rent	1,500	Building	
Advance Subscription	2,000	Book Value	30,000
Advance Locker Rent	1,000	Less: Depreciation	3,000
Bank Overdraft	1,000	Furniture Cost	10,000
Capital Fund:		Less: Depreciations	1,000
Opening Balance	1,35,500	Stock of Sports Materials	1,000
Add: Entrance Fees		Prepaid Insurance	3,000
[10,000 x 40%]	4,000	Outstanding Subscription	4,000
Add: Life Membership Fees		Outstanding Locker Rent	3,000
[Rs 10,000 x 60%]	6,000	12% General Fund Investments	1,00,000
Add: Surplus	30,000	Accrued Interest on 12% General Fund Investments	2,000
	1,75,500	Cash Balance	32,000
	1,81,000		1,81,000

2.

The following is the Receipts & Payments Account of the Bombay Club for the year ending 31st Dec., 2012

Dr. RECEIPTS & PAYMENTS ACCOUNT FOR THE YEAR 2012				Cr.
Receipts	Rs	Payments	Rs	
To Balance b/f	300	By Rent	5,200	
To Entrance Fees	550	By Stationery, Expenses etc.	3,068	

CA IPCC 1ST GRP-Accountancy (Model Test Paper with Answers) – TOPIC - NPO- Marks: 75 Time: 135 Minutes

To Subscriptions			By Wages	5,330
2011	200		By Billiards Table	3,900
2012	16,900		By Repairs and Renewals	806
2013	300	17,400	By Interest	1,500
To Locker Rent		500	By Balance c/f	2,396
To Special Subscriptions for Governor's party		3,450		
		22,200		22,200

Locker rents, Rs 60, related to 2011 and Rs 90 is still owing: Rent Rs 1,300 pertained to 2011 and Rs 1,300 is still owing: stationery expenses etc., Rs 312 related to 2011; still owing Rs 364; subscriptions unpaid for 2012 Rs 868; special subscriptions for Governor's party outstanding Rs 550.

The club owned sports materials of the value Rs 16,000 on 1 January, 2012. This was valued at Rs 13,500 on 31 December, 2012. The club took a loan of Rs 20,000 in 2011.

Treat Entrance Fees as of revenue nature.

Required: Prepare the Income & Expenditure Account for 2012 and Balance Sheet as at 31 December 2012.

(15 Marks)

SOLUTION 2

INCOME & EXPENDITURE ACCOUNT
For the year ending 31st December, 2012

Expenditure		Rs	Income		Rs
To Rent Paid	5,200		By Entrance Fees		550
Less: O/s in the beg.	1,300		By Subscriptions:		
	3,900		Received	16,900	
Add: O/s at the end	1,300	5,200	Add: O/s at end	868	17,768
To Stationery, Expenses:			By Locker Rents:		
Paid	3,068		Received	500	
Less: O/s in the beg.	312		Less: O/s in the beg.	60	
	2,756			440	
Add: O/s at the end	364	3,120	Add: O/s at the end	90	530
To Wages		5,330			
To Repairs and Renewals		806			
To Interest		1,500			
To Depreciation on sports Materials (16,000 – 13,500)		2,500			
To Surplus – Excess of income Over expenditure		392			
		18,848			18,848

BALANCE SHEET

As at 31.12.2012

Liabilities		Rs	Assets		Rs
Expenses unpaid:			Cash (or Bank) Balance		2,396
Rent	1,300		Sports materials		13,500
Stationery	364	1,664	Billiards Table		3,900
Special Subscriptions for Governor's party:			Subscriptions Outstanding		868
Received	3,450		Special Subscriptions due		550
Add: Outstanding	550	4,000	Locker Rent Outstanding		90
Loan		20,000	Deficiency:		
Subscriptions Received in advance		300	On 1 January 2012	5,052	
		25,964	Less : Surplus 2012	392	4,660
					25,964

Working Note: Calculation of Opening Capital Fund/Deficiency.

BALANCE SHEET AS AT 1.1.2012

Liabilities		Rs	Assets		Rs
Rent Outstanding		1,300	Subscription Due		200
Stationery, etc., Outstanding		312	Cash		300
Loan		20,000	Sports Materials		16,000

		Locker Rents Due	60
		Deficiency (Balancing Figure)	5,052
	21,612		21,612

3.

From the following Receipts and Payments Account of 'Tree Legal Aid Society' and additional information, prepare Income and Expenditure Account for the year and Balance Sheet as at 31st March, 2013:

Receipts	Rs	Payments	Rs
To Balance	14,000	By Salaries of Office Staff	60,000
To Subscriptions	1,00,000	By Honorarium Legal advisor	30,000
To Donations	29,000	By Sundry Expenses	3,000
To Interest on Investments (10% p.a.)	40,000	By Stationary	5,000
To Charity Show Receipts	20,000	By Court Fee Stamps	10,000
		By Typewriters	20,000
		By Charity Show Expenses	5,000
		By Cash in hand	70,000
	2,03,000		2,03,000

Additional information as on:

	1.04.2012 Rs	31.03.2013 Rs
Subscription due	1,000	2,000
Subscription received in advance	2,000	1,000
Stock of Court Fee Stamps	4,000	6,000
Value of office equipment (Computer)	42,000	60,000
Value of Buildings	80,000	72,000

(15 Marks)

SOLUTION 3

INCOME AND EXPENDITURE ACCOUNT

For the year ended 31st March, 2013

Expenditure	Rs	Income	Rs
To Salaries of Office Staff	60,000	By Subscriptions	1,02,000
To Honorarium Legal Advisors	30,000	By Donations	29,000
To Sundry Expenses	3,000	By Interest on Investments	40,000
To Stationery	5,000	By Charity Show Receipts	20,000
To Court Fee Stamps:			
Opening Stock	4,000		
Add: Purchases	10,000		
	14,000		
Less: Closing Stock	6,000		
	8,000		
To Depreciation on Computer			
Rs [42,000 + 20,000 – 60,000]	2,000		
To Charity Show Expenses	5,000		
To Depreciation on Building			
Rs [80,000 – 72,000]	8,000		
To Surplus t/f to Capital Fund	70,000		
	1,91,000		1,91,000

BALANCE SHEET AS AT 31ST MARCH, 2013

Liabilities	Rs	Assets	Rs
Subscription received in Advance	1,000	Cash in hand	70,000
Capital Fund	5,39,000	Subscription Due	2,000
Add: Surplus	70,000	Stock of Court Fee Stamps	6,000
	6,09,000	Office Equipment (Computer)	60,000
		Investment	4,00,000
		Building	72,000

6,10,000

6,10,000

Working Notes:

1. BALANCE SHEET AS AT 31ST MARCH, 2012

Liabilities	Rs	Assets	Rs
Subscription received in Advance	2,000	Cash in hand	14,000
Capital Fund (Bal. Fig.)	5,39,000	Subscription due	1,000
		Investment [40,000 x 100/10]	4,00,000
		Office Equipment	42,000
		Stock of Court fee Stamps	4,000
		Building	80,000
	5,41,000		5,41,000

2. SUBSCRIPTION ACCOUNT

Particulars	Rs	Particulars	Rs
To Subscription Due A/c (Opening)	1,000	By Advance Subscription A/c (Opening)	2,000
To Income & Expenditure A/c (Bal. Fig.)	1,02,000	By Bank A/c	1,00,000
To Adv. Subscription A/c (end)	1,000	By Subscription Due A/c (end)	2,000
	1,04,000		1,04,000

4.

From the following Receipts and Payments A/c of Mumbai Club, prepare Income and Expenditure A/c for the year ended 31.12.2012 and its Balance Sheet as on that date:

Receipts	Rs	Payments	Rs
Cash in Hand	4,000	Salary	2,000
Cash at Bank	10,000	Repairs Expenses	500
Donations	5,000	Purchase of Furniture	6,000
Subscriptions	12,000	Misc. Expenses	500
Entrance Fees	1,000	Purchase of Investments	6,000
Interest on Investments	100	Insurance Premium	200
Interest Received from Bank	400	Billiard Table	8,000
Sale of Old Newspaper	150	Paper, Ink, etc.	150
Sale of Drama Tickets	1,050	Drama Expenses	500
		Cash in Hand (Closing)	2,650
		Cash at bank (Closing)	7,200
	33,700		33,700

Information:

- Subscriptions in arrears for 2012 Rs 900 and Subscription in advance for 2013 Rs 350,
- Insurance premium Outstanding Rs 40, Misc. Expenses Prepaid Rs 90,
- 50% of donation is to be capitalized, Entrance Fees are to be treated as revenue income,
- 8% Interest has accrued on Investments for five months,
- Billiard Table costing Rs 30,000 was purchased during the last year and Rs 22,000 were paid for it.

(15 Marks)

SOLUTION 4

INCOME AND EXPENDITURE ACCOUNT

For the year ended 31st December, 2012

Expenditure	Rs	Income	Rs
To Salary	2,000	By Subscription	12,000
To Repair Expenses	500	Add: Outstanding in beg.	900
To Misc. Expenses	500		12,900
Less: Prepaid	90	Less: Advance at end	350
To Insurance Premium	200	By Entrance Fees	1,000
Add: Outstanding	40	By Interest on Investment (100 + 200)	300
To Paper,ink,etc.	150	By Sale of Drama Tickets	1,050
To Drama expenses	500	By Interest received from Bank	400

CA IPCC 1ST GRP-Accountancy (Model Test Paper with Answers) – TOPIC - NPO- Marks: 75 Time: 135 Minutes

To Surplus – Excess of Income Over Expenditure	14,150	By Sale of Newspapers	150
	17,950	By Donation	5,000
		Less: Capitalized (50%)	2,500
			2,500
			17,950

BALANCE SHEET OF MUMBAI CLUB AS AT 31ST DECEMBER, 2012

Liabilities	Rs	Assets	Rs
Outstanding Expenses	40	Billiards table	30,000
Subscription in advance	350	Furniture	6,000
Capital Fund	36,000	Prepaid Expenses (Misc.)	90
Add: Surplus	14,150	Subscription receivable	900
Add: Donations	2,500	Investments	6,000
	52,650	Interest accrued	200
		Bank Balance	7,200
		Cash on hand	2,650
	53,040		53,040

Working Note: Calculation of Opening Capital Fund

BALANCE SHEET OF MUMBAI CLUB AS AT 1ST JANUARY, 2012

Liabilities	Rs	Assets	Rs
Creditors for Billiards Table	8,000	Billiards table	30,000
Capital Fund (Balancing figure)	36,000	Bank Balance	10,000
	44,000	Cash on Hand	4,000
			44,000

5. Prepare the income & Expenditure Account and the Balance Sheet from the following information:

RECEIPTS AND PAYMENTS ACCOUNT OF TULSIAN CLUB, DELHI

For the year ending on 31st December, 2012

Receipts	Rs	Payments	Rs
To Balance b/f (cash)	1,025	By Upkeep of fields	220
To Subscriptions:		By Salaries	600
2011	40	By Drama Expenses	450
2012	2,050	By Newspapers	150
2013	60	By Books	100
To Admission Fees	40	By Municipal Tax	40
To Life Membership subscription	100	By Charity	350
To Donations (on 1.8.2012)	500	By 12% General Investments (on 1.8.2012)	500
To Subscription for Tournament (on 1.8.2012)	1,500	By 12% Tournament Fund Investments (on 1.8.2012)	1,500
To Sale of old newspapers	45	By Tournament Expenses	1,200
To Sale of old bats etc.	50	By Bats, Balls etc.	700
To Proceeds of drama tickets	950	By Printing & Stationery	100
To Sale of old furniture (costing Rs 100)	60	By Furniture	250
To Interest on 12% General Investments	12.50	By Prizes	1,115
To Interest on 12% Tournament Fund Investments	37.50	By Balance c/f (Cash)	3,725
To Subscription for Governor's Party	3,450		
To Prize Fund	1,080		
	11,000		11,000

Additional Information:

- There are 500 members each paying an annual subscription of Rs 5. Rs 50 are still in arrear, for the year 2011.
- Municipal taxes amounting to Rs 40 per year have been paid upto March 31, 2013 and Rs 50 are outstanding for salaries.

CA IPCC 1ST GRP-Accountancy (Model Test Paper with Answers) – TOPIC - NPO- Marks: 75 Time: 135 Minutes

- c) On 1.1.2012 the club owned building valued at Rs 5,000, Stock of Bats and Balls Rs 1,500, Printing and Stationery Rs 200, Cash at Bank Rs 3,000, Books Rs 500 and Furniture Rs 600.
- d) Write 50% off Bats and Balls (without considering sale), 25% off printing and stationery.
- e) Special subscription for governor's party outstanding Rs 550.
- f) An admission fee to be treated as of revenue nature but Life Membership is to be treated as of Capital nature.

(20 Marks)

SOLUTION 5

INCOME & EXPENDITURE ACCOUNT OF TULSIAN CLUB

For the year ending on 31st December, 2012

Expenditure		Rs	Income		Rs
To Upkeep of fields		220	By Subscription (500 x Rs 5)		2,500
To Salaries paid	600		By Admission Fees		40
Add: Outstanding at end	50	650	By Donations		500
To Drama Expenses		450	By Sale of old newspapers		45
To Newspapers		150	By Sale of old bats etc.		50
To Municipal Taxes Paid	40		By Proceeds of Drama tickets		950
Add: Pre. In the beginning	10		By Interest on General Invest....		
Less: Prepaid at end	10	40	(500 x 12/100 x 5/12)		
To Charity		350	Received	Rs 12.5	
To Loss on sale of furniture		40	Accrued	Rs 12.5	25
To Printing & Stationery		75			
To Bats & balls consumed		1,100			
To Prize Exp. (1,115 – 1,080)		35			
To Surplus		1,000			
		4,110			4,100

BALANCE SHEET OF TULSIAN CLUB AS AT 31ST DECEMBER, 2012

Liabilities		Rs	Assets		Rs
Capital Fund:			Cash in hand		3,725
Opening Balance	11,925		Cash at bank		3,000
Add: Surplus	1,000		Outstanding Subscription:		
Add: Life Membership			For 2011	50	
Subscription	100	13,025	For 2012	450	500
Tournament Fund:			Printing & Stationery:		
Opening Balance	Nil		Opening Balance	200	
Add: Subscription	1,500		Add: Purchases	100	
Add: Interest on				300	
Tournament Fund			Less: Charged	75	225
Invest. [1500 x 12% x 5/12]	75		Stock of Bats & Ball:		
Less: Tournament			Opening Balance	1,500	
Expenses	1,200	375	Add: Purchases	700	
Subscription for Governor's				2,200	
Party Received	3,450		Less: Charged	1,100	1,100
Add: Outstanding	550	4,000	Books:		
Outstanding Salaries		50	Opening Balance	500	
Advance Subscription		60	Add: Additions	100	600
			12% Investments		2,000
			Furniture:		
			Opening Balance	600	
			Add: Additions	250	
			Less: Sale	100	750
			Building		5,000
			Accrued Interest:		
			On General Investments	12.5	
			On Tournaments Fund		
			Investments	37.5	50
			Outstanding subscription for		
			Governor's Party		550

CA IPCC 1ST GRP-Accountancy (Model Test Paper with Answers) – TOPIC - NPO- Marks: 75 Time: 135 Minutes

		Prepaid Municipal Taxes	10
	17,510		17,510

Working Note:

BALANCE SHEET OF TULSIAN CLUB AS AT 31ST DEC., 2011

Liabilities	Rs	Assets	Rs
Capital Fund (balancing figure)	11,925	Cash in hand	1,025
		Cash at bank	3,000
		O/s subscription (50+ 40)	90
		Printing & Stationery	200
		Stock of Bats & Balls	1,500
		Books	500
		Furniture	600
		Building	5,000
		Prepaid Municipal Taxes	10
	11,925		11,925