

(C) Numerical Questions

1. There are 450 members of a club, each paying annual subscription of ₹ 500. On 31st March, 2000, subscriptions in arrear totalled ₹ 5,000. Subscription received during the year ended 31 March, 2001 amounted to ₹ 2,23,000 including ₹ 4,500 for the year 1999-2000 and ₹ 7,500 for the year 2001-2002.

Calculate the amount of subscription in arrear as on 31 March, 2001 by preparing subscriptions account.

(Ans.: ₹ 14,500).

When Receipts and Payments Accounts is Given:

2. From the figures given below, prepare an Income and Expenditure Account for 2007:

Receipts	₹	Payments	₹
Opening Balance:		Salaries Rent	4,800
In Hand	200	Stationary & Postage	500
At Bank	1,600	Bicycle Purchased	200
Subscriptions:		National Saving	300
2006	500	Certificates	3,000
2007	8,300	Help to needy students	2,000
2008	600	Balance	
Sale of Investments	9,400	In Hand	300
Sale of old furniture's	2,000	At Bank	2,400
(Book value ₹ 400)	300		
	13,500		13,500

Saving Certificates ₹ 100 and Rent unpaid but due was ₹ 60.

(Excess of Income over Expenditure, ₹ 1,440)

[Hint: Book value of investments sold is not given. It has been assumed that these have been sold at cost.]

1. The U Club gives you its Receipts and Payments Account for 2007. Prepare its Income and Expenditure Account for the year.

Receipts and Payments Account

	₹		₹
To Balance b/d	1,200	By Sports Equipment	3,500
To Subscriptions	15,300	By Rent	1,000
To Sale of old newspapers	300	By Cost of Entertainments	10,100
To Donations for Building	10,100	By Miscellaneous Expenses	800
To Sale of furniture	600	By Investments	10,000
		By Balance c/d	2,100
	27,500		27,500

Investments consisted of 4% Government Loan and were purchased on 1st July, 2007. Subscriptions included ₹ 700 for 2006 and ₹ 200 for 2008. Subscriptions for 2007 still receivable were ₹ 1,500 but of these ₹ 200 were considered doubtful.

(Excess of Income over Expenditure, ₹ 4,300)

[Hint: Book value of furniture sold is not given. It has been assumed that these have been sold at W.D.V.]

1. The following is the Receipts and Payments Account of Mehruli Club for the year ended 31st Dec., 2008:

	₹		₹
Cash in Hand (01.01.2008)	350	Bank Overdraft (01.01.08)	180
Subscription		Salaries	670
2007 400		Printing and Stationery	50
2008 2,200		Furniture	1,000
2009 100	2,700	Investment in securities	1,500
Income from Entertainment	230	Balance on 31.12.08	
Entrance Fee	450	Cash in Hand	170
Interest in Securities	560	Cash at Bank	900
Sale of old furniture (Book Value ₹ 150)	180		
	4,470		4,470

Prepare Income and Expenditure Account for the year ended 31st Dec. 2008 and the Balance Sheet, as on that date, having due regard to the following additional information:-

(i) The Club has 250 members paying an annual subscription of ₹ 10 each (during the year 5 new members joined).

(ii) Salary of ₹ 50 was outstanding on 01.01.2008 and ₹ 60 is still payable for the year 2008.

(iii) The Club had furniture ₹ 2,650, Building ₹ 5,000 and Investments ₹ 7,000 as on 01.01.2008.

(iv) Depreciate Building and Furniture by 5% of their closing balances.

[Excess of Income over Expenditure, ₹ 2,165; Total of ₹ 17,945]

[Hint: Entrance fee has been treated as Capital Receipt.]

1. Followings is the Receipts and Payments Accounts of the Delhi Club for the year ended 31st Dec. 2004.

Receipt and Payments Account for the year ended 31st Dec., 2004

Receipts	₹	Payments	₹
To Balance b/f:		By Secretary's	5,000
Cash 2,000		Remuneration	5,000
Bank 10,000	12,000	By Salary of Staff	12,000
To Subscription:		By Canteen Expenses	1,000
For 2004 5,000		By Newspapers and	15,000
For 2003 200		Magazines	
For 2005 100	5,300	By Construction of Building	
To Interest from 5% Govt.		By Balance c/d:	
(Purchased in the past		Cash 800	2,800
discount of 1%)	2,000	Bank 2,000	
To Sale of Old Furniture	1,000		
To Canteen Collection	10,000		
To Sale of Old Newspaper	500		
To Donation received for			
Building	10,000		
Fund	40,800		40,800

With the additional information given below, prepare the Income and Expenditure Account for the year ended 31st Dec., 2004, and the Balance Sheet as on that date:

	As on 31 st Dec. 2003	As on 31 st Dec. 2004 ₹
(i) Subscriptions receivable	1,000	?
(ii) Subscription received in advance	200	100
(iii) Salary to staff outstanding	2,000	1,000
(iv) Canteen expenses prepaid	1,000	500
(v) Furniture etc.	10,000	?
(vi) Construction expenses outstanding	—	2,000
(vii) Subscription due for the year 2004 was ₹ 5,500		
(viii) The book value of Furniture sold was ₹ 3,000		
(ix) Charge depreciation on Furniture @ 10% on the closing net balance.		
[Capital Fund as on 01.01.2004 ₹ 61,400; Deficit ₹ 2,000; Total of B/s as on 31.12.2004, ₹ 72,500.]		

Note: Subscription receivable as on 31.12.2004 will be ₹ 5,500 + ₹ 800 = ₹ 6,300.

1. Smith Library Society showed the following position on 31st March, 2001.

Balance Sheet as on 31st March, 2001

Liabilities	₹	Assets	₹
Capital Fund	7,93,000	Electrical Fittings	1,50,000
Expenses Payable	7,000	Furniture	50,000
		Books	4,00,000
		Investment in Securities	1,50,000
		Cash at Bank	25,000
		Cash in hand	25,000
	8,00,000		8,00,000

The Receipts and Payments Account for the year ended on 31st March, 2002 is given below:

	₹		₹
To Balance b/f		By Electric Charges	7,200
Cash at Bank 25,000		By Postage and Stationary	5,000
Cash in hand 25,000	50,000	By Telephone Charges	5,000
To Entrance Fees	30,000	By Books Purchased	60,000
To Membership subscription	2,00,000	By Outstanding Expenses paid	7,000
To Sale proceeds of old	1,500	By Rent	88,000
To Hire of Lecture Hall	20,000	By Investment in Securities	40,000
To Interest on Securities	8,000	By Salaries	66,000
		By Balance c/f	20,000
		Cash at Bank	11,300
	3,09,500	Cash in Hand	3,09,500

You are required to prepare an Income and Expenditure Account for the year ended 31st March, 2002 and a Balance Sheet as at 31st March, 2002 after making the following adjustments:

- Membership Subscription included ₹ 10,000 received in advance.
- Provide for outstanding rent ₹ 4,000 and salaries ₹ 3,000.
- Books to be depreciated @ 10% including additions. Electrical Fittings and Furnitures are also to be depreciated at the same rate.
- 75% of the Entrance Fees is to be capitalised.
- Interest on Securities is to be calculated @ 5% p.a. including purchases made on 01.10.2001 for ₹ 40,000.

II. Preparation of Receipt and Payment Account and Income and Expenditure Account
1. Summary of Receipts and Payments of Bombay Medical Aid Society for the year ended 31.12.2000 are as follows:

Opening Cash balance in hand ₹ 8,000, Subscription ₹ 50,000, Donation ₹ 15,000 Interest on Investments @ 9% p.a. ₹ 9,000, Payments for medicine supply ₹ 30,000, Honorarium to Doctors ₹ 10,000, Salaries ₹ 28,000, Sundry Expenses ₹ 1,000, Equipment purchase ₹ 15,000. Charity show expenses ₹ 1,500. Charity show collection ₹ 12,500.

Additional Informations :

	On 01.01.2000	On 31.12.2000
	₹	₹
Subscription due	1,500	2,200
Subscription received in advance	1,200	700
Stock of medicine	10,000	15,000
Amount due for medicine supply	9,000	13,000
Value of Equipment	21,000	30,000
Value of Building	50,000	48,000

You are required to prepare Receipts and Payments Account and Income and Expenditure Account for the year ended 31.12. 2000 and Balance Sheet as on 31.12.2000.

(Ans.: Cash in hand (Closing) ₹ 9,000; Excess of Income over Expenditure ₹ 10,200; Total of Balance Sheet ₹ 2,04,200)

III. When Income and Expenditure Accounts is Given:

1. The Balance Sheet as at 31st Dec. 1997 of the Salem Sports Club was the following:
Balance Sheet at 31st Dec., 2007

	₹		₹
Salaries unpaid	1,500	Cash	500
Subscriptions Received in advance	400	Cash at Bank	2,100
Capital Fund (including Life Membership ₹ 1,000)	14,300	Sports Equipment	10,300
		Subscriptions due	3,100
		Prepaid Expenses	200
	16,200		16,200

The Income and Expenditure Account for the year was as under:

Expenditure	₹	Income	₹
To Salaries	5,500	By Subscriptions Profit	21,700
To Cost of entertainment	5,300	By on sale of	
To Audit Fee	400	Equipment (book value	
To Depreciation	1,000	₹ 800)	300
To Tournament expenses and Prizes	2,100	By Deficit - Excess of	
To Insurance	600	Expenditure over Income	1,500
To Restaurant:			
Expenses 30,300	8,600		
Takings 21,700			
	23,500		23,500

You are information that on 31st Dec. 2006 subscriptions in arrear and received in advance were respectively, ₹ 1,800 and ₹ 800. On that date the sport equipment stood in the books at ₹ 8,000. Cash in hand on that date was ₹ 400.

You are required to prepare the club's Receipts and Payments Accounts for 1997 and its Balance Sheet as at 31st Dec., 2006.