

- 5 Life subscriptions are available under a scheme which started 8 years ago. The cost remains at the original \$500 per person. At 31 December 2008 there were six members with life subscriptions.

The life subscriptions are brought into income over 20 years commencing from the year in which payment of life subscription takes place.

- 6 The ordinary subscription rate for 2009 was \$100 per person. This is to be increased by 50% in 2010.

No subscriptions are prepaid for 2010.

\$300 remained owing from 2009 but these are expected to be received during January 2010.

Subscriptions owing at 31 December 2008, which were not received during 2009, are to be written off as bad debts.

REQUIRED

- (a) Prepare a Subscriptions Account for ordinary members for the year ended 31 December 2009 (a life subscriptions account is **not** required).

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The treasurer had suggested increasing cafe prices and the rate of lifetime subscriptions but the club committee refused to do this.

Instead, the committee decided to raise the ordinary subscriptions by 50%.

REQUIRED

(d) Suggest **three** additional ways in which the club could try to minimise or eliminate the deficit in future years.

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