

- 2 The following is the receipts and payments account of the Rumbledethumps Bowling Club for the year ended 30 September 2009.

| Receipts | | Payments | |
|----------------------|----------------|-------------------------|----------------|
| | \$ | | \$ |
| Opening balances | | Greenkeeper's wages | 25 000 |
| Cash | 850 | Insurance | 3 450 |
| Bank current account | 12 150 | Furniture for clubhouse | 2 150 |
| Bank deposit account | 84 500 | Secretary's honorarium | 2 000 |
| Subscriptions | | General expenses | 8 950 |
| Ordinary | 31 200 | Clubhouse repairs | 3 540 |
| Life | 10 000 | Band for dinner dance | 500 |
| Café takings | 94 320 | Other dance expenses | 4 730 |
| Dinner dance | 6 000 | Café refreshments | 43 500 |
| | | Café wages | 23 500 |
| | | Clubhouse rates | 4 500 |
| | | Closing balances | |
| | | Cash | 530 |
| | | Bank current account | 10 980 |
| | | Bank deposit account | 105 690 |
| | <u>239 020</u> | | <u>239 020</u> |

The following information is also available:

Other assets and liabilities of the club at 30 September

| | 2008 | 2009 |
|---------------------------------|---------|---------|
| | \$ | \$ |
| Clubhouse | 120 000 | 120 000 |
| Café refreshment stock | 9 500 | 10 500 |
| Creditors for café refreshments | 6 700 | 7 900 |
| Insurance prepaid | 430 | 550 |
| Rates accrued | 900 | 950 |
| Furniture and fittings | 26 200 | 25 400 |
| Subscriptions prepaid | 2 200 | 2 400 |
| Subscriptions due and unpaid | 2 800 | 2 600 |

Life membership was introduced on 1 October 2008 when five life members were admitted and paid \$2000 each. It was decided that life membership should be accounted for separately and credited to ordinary revenue over twenty years, in equal amounts.

Interest on the bank deposit account of \$4500 for the year ended 30 September 2009 had not been taken into account at the year end.

REQUIRED

(a) Prepare the café trading account for the year ended 30 September 2009.

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- (d) State **two** advantages and **two** disadvantages of using a receipts and payments account instead of an income and expenditure account, in a non-trading organisation.

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