Accounts of Not for Profit organisation

Q1. Discuss the concept of Fund Based Accounting.

Q2.What is meant by life membership subscription in case of Not for profit organisation?

Q3. When should Donations of small amount can be capitalised while accounting for Not for profit organisation?

Q4. What are legacies?

Q5. In addition to Cash Book, why does a not for profit organisation prepare Receipts and Payments Account?

Q6. Items appearing in the Receipts and Payments Account are only considered in preparing the Income and Expenditure Account. Do you agree?

Q7. A club has 500 members, each paying annual subscription @ Rs.200. Total subscription received during the year ending 2016 was Rs.1,20,000 including Rs.12,000 for the year 2015 and Rs.18,000 for the year 2017. 20 members paid their subscription for 2016 in the year 2015. Subscription outstanding as on 31.12.2015 was Rs.15,000. Compute the amount of Subscription to be credited to income and expenditure Account and outstanding subscription to be shown in Balance Sheet as at 31st December,2016.

Q8. Calculate the amount that will appear against the item Stationery Account, in the Income and Expenditure Account for the year ended 31st March, 2017:

Particulars	31-3-2016	31-3-2017
Creditors for Stationery	6,000	24,000
Stock of Stationery	28,000	80,000

During 2016-17, the payment made to these creditors amounted to Rs.1,20,000. Stationery purchased in cash during the year was 25% of the total purchase of Stationery.

Q9. Ascertain the amount of Salary to be shown in the Income and Expenditure Account for the year ended on 31st December,2018 from the following additional information:

	1-1-2018	31-12-2018
Salary Outstanding	2,400	2,600
Salary paid in Advance	1,600	1,200

Salary paid during the year 2018 Rs.18,600.

Q10. Show how you will deal with the following while preparing the final Accounts of a club for the year ending 31st March, 2018 in each of the following alternative cases (Assuming the construction work is in progress in each case and not yet completed):
(a)

Particulars	Amount
Pavilion Fund as on 31st March, 2017	10,00,000
Expenditure on construction of Pavilion	6,00,000
Capital Fund as at 31st March, 2017	18,00,000

(b)

Particulars	Amount
Pavilion Fund as on 31st March, 2017	18,00,000
Expenditure on construction of Pavilion	36,00,000
Donation for Pavilion received	4,00,000
Capital Fund as at 31st March, 2017	10,00,000

Q11. From the following extract of Receipts and Payment Account and the additional information, compute income from subscription for the year ended 31st March, 2017 and show it in the Final Accounts of the club.

Receipts and Payments Account

For the year ended 31st March, 2017

Receipts	**Amount**	**Payments**	**Amount**
To subscription	30,000		

Additional Information:

	31-3-2016	31-3-2017
Subscription Outstanding	700	1,000
Subscription received in Advance	1,200	500

Q12. From the following particulars, compute the amount of subscription to be credited to Income and Expenditure Account for the year ending 31.12.2016:
(i) Subscription outstanding as on 31.12.2016: Rs.15,000 (including Rs.700 for 2015)
(ii) Subscription received in advance as on 31.12.2015: Rs.4, 500 (including Rs.150 for 2017)
(iii) Subscription received during 2016: for 2014 Rs.6,300, for 2015 Rs.11,700, for 2016 Rs.1,67,400, for 2017 Rs.7,300, for 2018 Rs.2,600.