

CHAPTER:1

ACCOUNTING FOR NOT FOR PROFIT ORGANISATION

- Q.1 Give two main sources of income of a 'Not for profit organisation'.
- Q.2 State any two characteristics of Receipt and Payment Account.
- Q.3 How would you account for 'subscription due to be received' in the current year in the books of a non trading organisation?
- Q.4 How would you account for 'subscription received in advance' in the current year in the books of a non trading organisation?
- Q.5 What is meant by fund based accounting?
- Q.6 Tournament fund appears in the books Rs. 15,000 and expenses on tournament during the year were Rs. 18000. How will you show this in format while preparing financial statement of a not-for-profit organisation?
- Q.7 As per Receipt and Payments account for the year ended on March 31, 2008, the subscription received were Rs. 2,50,000. Addition information given is as follows:-
- (i) Subscriptions outstanding on 01-04-2007 Rs. 50,000.
 - (ii) Subscription outstanding on 31-03-2008 Rs. 35,000.
 - (iii) Subscription Received in advance as on 31-03-2008 Rs. 30000.

Ascertain the amount of income from subscription for the year 2007-08.

- Q. 8 From the following particulars of a club, calculate the amount of salaries to be shown in Income and expenditure account for the year ended 31 March, 2008:-

Total salaries paid during the year 2007-08	Rs. 87,000
Outstanding salaries on 01-04-2007	Rs. 17,000
Prepaid salaries on 01-04-2007	Rs. 19,000
Outstanding salaries on 31-03-2008	Rs. 32,000
Prepaid salaries on 31-03-2008	Rs 20,000

- Q.9 From the following extracts of Receipts and Payments Account and the additional information given below, compute the amount of income from

subscriptions and show us how they would appear in the Income and Expenditure Account for the year ending March 31, 2007 and the Balance sheet on that date:-

Receipts and Payments A/C
For the year ending March 31, 2007

Receipts	Rs.	Payments	Rs.
Subscription :-			
2005-06 7000	-		
2006-07 30000	-		42000
2007-08 5000	-		

Additional information:-

- (i) Subscription outstanding on March 31, 2006 Rs. 8500.
- (ii) Total subscriptions outstanding on March 31, 2007 Rs. 18,500.
- (iii) Subscriptions received in advance as on March 31, 2006 Rs. 4000.

Q.10 Calculate the amount to be debited to Income and Expenditure account under the heading sports items for the year 2006-07 in respect of the Osmosis club:-

Stock of sports items on 01-04-2006	Rs. 44,700
Stock of sports items on 31-03-2007	Rs. 24,500
Paid for sports items during the year	Rs. 97,900

Creditors for supplies of sports items 31-03-2007 Rs. 26,500.

Q.11 Show the following information in the Balance Sheet of the Cosmos club as on 31st March 2007:-

Particulars	Dr (Rs)	Cr (Rs)
Tournament Fund	-	1,50,000
Tournament Fund Investment	1,50,000	-
Income From Tournament Fund		
Investment	-	18,000
Tournament Expenses	12,000	-

Additional Information:-

Interest accrued on Tournament Fund Investment Rs. 6000.

Q.12 Calculate the amount medicines to be debited in the Income and Expenditure Account of a Hospital on the basis of the following information:-

	01-04-2006	31-03-2007
	Rs.	Rs.
Stock of Medicines	90,000	1,24,000
Creditors for Medicines	2,40,000	2,04,000

Amount paid for medicines during the year was Rs. 6,79,000.

Q.13 Distinguish between Receipts and Payments A/C and Income and expenditure A/C.

CHAPTER:2

ACCOUNTING FOR PARTNERSHIP FIRMS: BASIC CONCEPTS

Q.1 State the conditions under which capital balances may change under the system of a Fixed Capital Account

Q.2 A is partner in a firm. His capital as on Jan 01, 2007 was Rs. 60,000. He introduced additional capital of Rs. 20000 on Oct 01 2007. Calculate interest on A's capital @ 9% p.a.

Q.3 Alka, Barkha and Charu are partners in a firm having no partnership agreement. Alka, Barkha and Charu contributed Rs. 20,000, Rs. 30,000 and Rs. 1,00,000 respectively. Alka and Barkha desire that the profit should be divided in the ratio of capital contribution. Charu does not agree to this. How will you settle the dispute.

Q.4 A and B are partners in a firm without a partnership deed. A is an active partner and claims a salary of Rs. 18,000 per month. State with reason whether the claim is valid or not.

Q.5 Chandar and Suman are partners in a firm without a partnership deed. Chandar's capital is Rs. 10,000 and Suman's capital is Rs. 14,000. Chandar has advanced a loan of Rs. 5000 and claim interest @ 12% p.a. State whether his claim is valid or not.

Q.6 R, S, and T entered into a partnership of manufacturing and distributing educational CD's on April 01, 2006. R looked after the business development, S content development and T financed the project. At the end of the year (31-03-2007) T wanted an interest of 12% on the capital employed by him. The other partners were not inclined to this. How would you resolve this within the ambit of the Indian Partnership Act, 1932?

Q.7 A, B and C are partners in a firm. A withdrew Rs. 1000 in the beginning of each month of the year. Calculate interest on A's drawing @ 6% p.a.

Q.8 A, B and C are partners in a firm, B withdrew Rs. 800 at the end of each month of the year. Calculate interest on B's drawings @ 6% p.a.

Q.9 A, B and C are partners in a firm. They have omitted interest on capital @ 10 % p.a. for three years ended 31st march 2007. Their fixed capitals on which interest was to be calculated through –out were

A Rs. 1,00,000 B Rs. 80,000 C Rs. 70,000 Give the necessary Journal entry with working notes.

Q.10 X, Y, and Z are partners sharing profits and losses in the ratio of 3:2:1. After the final accounts have been prepared it was discovered that interest on drawings @ 5 %

had not been taken into consideration. The drawings of the partner were X Rs. 15000, Y Rs. 12,600, Z Rs. 12,000. Give the necessary adjusting Journal entry.

Q.11 A, B and C are partners sharing profits and losses in the ratio of 3:2:1. Their fixed capitals are Rs. 1,50,000, Rs. 1,00,000 and Rs. 80,000 respectively. Profit for the year after providing interest on capital was Rs. 60,000, which was wrongly transferred to partners equally. After distribution of profit it was found that interest on capital provided to them @ 10% instead of 12% . Pass necessary adjustment entry. Show your working clearly.

Q.12 Ravi and Mohan were partner in a firm sharing profits in the ratio of 7:5. Their respective fixed capitals were Ravi Rs. 10,00,000 and Mohan Rs. 7,00,000. The partnership deed provided for the following:-

- (i) Interest on capital @ 12% p.a.
- (ii) Ravi's salary Rs. 6000 per month and Mohan's salary Rs. 60000 per year. The profit for the year ended 31-03-2007 was Rs. 5,04,000 which was distributed equally without providing for the above. Pass an adjustment Entry.

Q.13 Distinguish between fixed capital method and fluctuating capital method.

Q.14 A, B and C were partners in a firm having capitals of Rs. 60,000, Rs. 60,000 and Rs. 80,000 respectively. Their current account balances were A- Rs. 10,000, B- Rs. 5000 and C- Rs. 2000 (Dr.). According to the partnership deed the partners were entitled to an interest on capital @ 5% p.a. C being the working partner was also entitled to a salary of Rs. 6,000 p. a. The profits were to be divided as follows:

- (i) The first Rs. 20,000 in proportion to their capitals.
- (ii) Next Rs. 30,000 in the ratio of 5:3:2.
- (iii) Remaining profits to be shared equally.

During the year the firm made a profit of Rs. 1,56,000 before charging any of the above items. Prepare the profit and loss appropriation on A/C.

Q.15 A and B are partners sharing profits in proportion of 3:2 with capitals of Rs. 40,000 and Rs. 30,000 respectively. Interest on capital is agreed at 5 % p.a. B is to be allowed an annual salary of Rs. 3000 which has not been withdrawn. During 2001 the profits for the year prior to calculation of interest on capital but after charging B's salary amounted to Rs. 12,000. A provision of 5% of this amount is to be made in respect of commission to the manager. Prepare profit and loss appropriation account showing the allocation of profits.

NOTE: Dear students these are the very very important question from examination point of view based on CHAPTER 1&2