

TS Grewal Solutions Class 12 Accountancy

Vol 1 Chapter 1

Company Accounts Financial Statements of Not-for-Profit Organisations

TS Grewal Solutions for Class 12 Accountancy Chapter 1 Company Accounts Financial Statements of Not-for-Profit Organisations is considered to be an important concept to be studied thoroughly by the students. Here, we have provided [TS Grewal Accountancy solutions for class 12](#).

Board	CBSE
Class	Class 12
Subject	Accountancy
Chapter	Chapter 1
Chapter Name	Company Accounts Financial Statements of Not-for-Profit Organisations
Number of questions solved	07
Category	TS Grewal

This Chapter 1 Company Accounts Financial Statements of Not-for-Profit Organisations-Fundamentals explains the below-mentioned concepts:

- Meaning and characteristics of Not-for-Profit Organisations
- Receipt and Payment account
- Income and Expenditure account
- Balance Sheet
- Some Peculiar items

TS Grewal Solutions for Class 12 Accountancy Chapter 1- Company Accounts Financial Statements of Not-for-Profit Organisations

Question 1

From the data provided below, prepare Receipts and Payments account of Buddies club, Bangalore, for the year ended March 2018.

Cash balance on 1st April 2017 - 50,000/-; Subscriptions - 4,00,000/-; Donations - 1,00,000/-; Entrance fees - 45,000/-; Rent realised from club hall - 52,500/-; Electricity charge - 34,400/-; Taxes - 5,000/-; Salaries and wages - 2,15,000/-; Honorarium to the Secretary - 50,000/-; Interest received on investments - 30,000/-; Printing and Stationery - 4,000/-; Petty expenses - 9,500/-; Insurance premium paid - 3,000/-.

Solution:

Buddies Club, Bangalore

Dr. Receipts and Payments account for the year ended 31st March 2018 Cr.

Receipts	₹	Payments	₹
To balance b/d (cash)	50,000	By Electricity charges	34,400
To subscriptions	4,00,000	By taxes	5,000
To donations	1,00,000	By Salaries and wages	2,15,000
To entrance fees	45,000	By Printing and Stationery	4,000
To Rent realised from club hall	52,500	By Honorarium to the Secretary	50,000
To interest on investments	30,000	By Petty expenses	9,500
		By Insurance premium paid	3,000
		By balance c/d (balancing figure)	3,56,600
	6,77,500		6,77,500

Question 2

From the following data, prepare an Income and Expenditure account:

Particulars	₹
● Fees collected, including ₹. 80,000/- for the previous year	3,80,000
● Fees outstanding for the year	10,000
● Salary paid including ₹. 3,000/- for the previous year	28,000
● Salary outstanding at the year end	1,000
● Entertainment expenses	3,000
● Tournament expenses	12,000
● Meeting expenses	18,000
● Travelling expenses	6,000
● Purchase of books and periodicals, including ₹.19,000 for purchase of books	29,000
● Rent	10,000
● Postage and Telephones	15,000
● Printing and Stationery	4,000
● Donations received	20,000

Solution:

Dr. Income and expenditure account for the year ended...
Cr.

Expenditure	₹	Income	₹
To Salaries - 28,000		By fees 3,80,000	
(+) Outstanding at the end 1,000		(+) Outstanding at the end 10,000	
29,000		3,90,000	
(-) O/S at the beginning 3,000	26,000	(-) O/S at the beginning 80,000	3,10,000
To Entertainment expenses	3,000	By Donations	20,000
To Tournament expenses	12,000		
To Meeting expenses	18,000		
To Rent	10,000		
To Travelling expenses	6,000		
To Books and Periodicals 29,000			
(-) Purchase of Books 19,000	10,000		
To Postage and Telephones	15,000		
To Printing and stationery	4,000		
To Surplus: Excess of Income over expenditure	2,26,000		
	3,30,000		3,30,000

Question 3

1st April 2018, assets and liabilities of India club are mentioned below:

Assets	₹
Land and Building	3,00,000
Furniture	70,000
Cash in hand	30,000
Subscriptions receivable	50,000
Liabilities	
Bank overdraft	30,000
Outstanding salaries	20,000

Now, ascertain the capital fund as on 1st April 2018.

Solution:

Balance Sheet of India club as at 1st April 2018

Liabilities	₹	Assets	₹
Bank overdraft	30,000	Cash in hand	30,000
Outstanding salaries	20,000	Subscriptions receivable	50,000
Capital fund*(balancing figure)	4,00,000	Land and Building	3,00,000
		Furniture	70,000
	4,50,000		4,50,000

*Capital fund = Total Assets - Total Liabilities

$$= 4,50,000 - 50,000$$

$$= ₹. 4,00,000$$

Question 4

From the following data of Receipts and Payments account and additional data, calculate the income from subscriptions for the year ended 31st March 2018 and show it in the final accounts of the club:

Dr. Receipts and Payments account for the year ended 31st March 2018 Cr.

Receipts	₹	Payments	₹
To Subscriptions	1,00,000		

	31/03/2017	31/03/2018
Subscriptions outstanding	20,000	40,000
Subscriptions received in advance	30,000	20,000

Solution:

Dr. Income and expenditure account for the year ended 31/03/2018 Cr.

Expenditure	₹	Income	₹
		By subscriptions	1,00,000
		(+) Subscription O/S on 31/3/2018	40,000
		Subscription received in Advance on 31/3/2017	<u>30,000</u>
			1,70,000
		(-) Subscription received in Advance on 31/3/2018	20,000
		Subscription O/S on 31/3/2017	20,000
			1,30,000

Balance Sheet as on 31st March 2018

Liabilities	₹	Assets	₹
Subscription received in Advance	20,000	Subscription O/S	40,000

Question 5

Subscriptions received during the year ended 31st March 2019 are:

Year ended March 31st, 2018	4,000	
Year ended March 31st, 2019	2,20,000	
Year ended March 31st, 2020	10,000	2,70,000

There are 500 members, each paying an annual subscription of ₹. 600/-. ₹. 5,000/- were in arrears for the year ended 31st March 2018 at the beginning of the year ended 31/03/2019. Compute the subscriptions to be shown in Income and Expenditure account for the year ended 31/03/2019 and also show treatment of subscriptions in the income and expenditure account and Balance sheet.

Solution:

Subscriptions receivable for the year ended 31/03/2019

= Number of members X Annual subscription

= 500 X 600 = 3,00,000/-

Subscriptions outstanding

= Total subscriptions - Subscription received for the year-end 31/03/2019

= 3,00,000 - 2,20,000 = 80,000/-

Dr. Income and Expenditure account for the year ended 31st March 2019
Cr.

Expenditure	₹	Income	₹
		By subscription received	2,20,000
		(+) Outstanding	80,000
			3,00,000

Balance Sheet as at 31st March 2019

Liabilities	₹	Assets	₹
Subscription received in advance	10,000	Subscription Outstanding: For 2017-18 [5,000 - 4,000] For 2018 - 19	1,000* 80,000

*Subscription in arrears for the year ended 31/03/2018 at the beginning of 2018-19 was 5,000/-, out of which 4,000/- was received in the year ended 31/03/2019.

Question 6

On the ground of the data furnished below, compute the amount of stationery to be debited to the Income and Expenditure account of the Sports Club for the year ended 31/03/2019.

Particulars	1st April 2018 (₹)	31st March 2019 (₹)
Stock of stationery	90,000	50,000
Creditors for stationery	1,00,000	1,20,000

Stationery purchased during the year ended 31/03/2019 was ₹. 5,00,000/-

Solution:

Sports Club

Dr. Income and expenditure account for the year ended 31st March 2019 Cr.

Expenditure	₹	Income	₹
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To Stationery consumed (working note)	5,40,000		
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Working Note:

Stationery consumed (2018-2019)

Opening stock of stationery + Purchase of stationery - Closing stock of stationery

= 90,000 + 5,00,000 - 50,000

= ₹. 5,40,000/-

Question 7

From the following data compute the amount that will be shown against the stationery account in the Income and Expenditure Account for the year ended 31/03/2019:

Particulars	01/04/2018 (₹)	31/03/2019 (₹)
Creditors for stationery	5,000	12,000
Stock for stationery	15,000	30,000

During the year ended 31/03/2019, payment made to creditors amounted to 57,000/-. Stationery purchased in cash during the year was 20% of the total purchase of stationery.

Solution:

- *Calculation of credit purchases of stationery:*

Dr. Creditors for Stationery Account Cr.

Particulars	₹	Particulars	₹
To Bank A/c	57,000	By Balance b/d	5,000
To Balance c/d	12,000	By Stock by stationery A/c [Credit purchase] (balancing figure)	64,000
	69,000		69,000

- *Calculation of cash purchases of stationery:*

Let the total X be 'x'

Cash purchases would be 20% of 'x', i.e., 'x'/5

Then, credit purchase = 80% of 'x', i.e., 4'x'/5

$$'x'/5 + 64,000 = 'x'$$

$$4'x'/5 = 64,000/-$$

$$'X' = 64,000 \times 5/4 = 80,000 \text{ (Total Purchase)}$$

Cash Purchase = Total purchase - Credit purchase

$$= 80,000 - 64,000 = 16,000/-$$

- ***Stationery consumed to be debited to Income and Expenditure account:***

Opening stock of the stationery + Purchases [cash+credit] - Closing stock of the stationery

$$= 15,000 + [64,000+16,000] - 30,000$$

$$= 15,000 + 80,000 - 30,000$$

$$= 15,000 + 50,000$$

$$= ₹. 65,000/-$$

The above-provided solutions are considered to be the best solutions for 'Accounts Class 12 TS Grewal Solutions for Chapter 1- Company Accounts Financial Statements of Not-for-Profit Organisations'. Stay tuned to BYJU'S to learn more and score well in the upcoming board examinations.

Chapter Wise Solutions for Commerce Students:

TS Grewal Solutions Class 12 Accountancy Chapter 2
TS Grewal Solutions Class 12 Accountancy Chapter 3
TS Grewal Solutions Class 12 Accountancy Chapter 4