

# TS Grewal

Class 12

Accountancy Solutions

Vol.-1



## CHAPTER-1 – Company Accounts Financial Statements of Not – for – Profit Organizations

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### Solution 1

Please find below the receipt and payments account:

Receipts and Payments A/c

<b>Dr.</b>			<b>Cr.</b>
	<b>₹</b>	<b>Payments</b>	<b>₹</b>
To Balance b/d	4,390	By Electricity Charges	3,440
To Subscriptions	37,600	By Taxes Paid	490
To Donations	8,000	By Salaries	21,500
To Entrance Fees	4,300	By Honorarium to Secretary	2,500
To Rent Received For Club Halls	5,250	By Printing and Stationary	350
To Interest Received on Investments	2,950	By Petty Cash Expenses	900
		By Insurance Premium Paid	310
		By Balance c/d	33,000
<b>Total</b>	<b>62,490</b>	<b>Total</b>	<b>62,490</b>

### Solution 2

Please find below the receipt and payments account:

#### Receipts and Payment A/c of Bengal Cricket Club

<b>Dr.</b>			<b>Cr.</b>
<b>Receipts</b>	<b>₹</b>	<b>Payments</b>	<b>₹</b>
To Entrance Fees	10,000	By Rent	15,000
To Subscriptions	60,000	By Postages	1,000
To Donations	10,000	By Newspapers and Magazines	8,000
		By Investments	30,000
		By Stationery	4,000
		By Entertainment Expenses	3,000
		By Miscellaneous Expenses	2,000
		By balance c/d (as on 31 <sup>st</sup> March, 2019)	17,000
<b>Total</b>	<b>80,000</b>	<b>Total</b>	<b>80,000</b>

### Solution 3

Please find below the receipt and payments account:

#### Receipts and Payments A/c of Delhi Club

<b>Dr.</b>			<b>Cr.</b>
<b>Receipts</b>	<b>₹</b>	<b>Payments</b>	<b>₹</b>
To Donation for Building and	2,00,000	By Purchase of Land	10,000

Library Room			
To Entrance Fees	17,000	By Purchase of Furniture	1,30,000
To Subscription	19,000	By Salaries	4,800
To Lockers Rent	1,660	By Maintenance Of Playgrounds	1,000
To Refreshment Receipts	16,000	By Rent	8,000
To Government Grants	25,000	By Refreshment Payments	8,000
To balance c/d	83,140	By Library Books	25,000
		By Purchase of 9% Government Bonds	1,60,000
		By Term Deposit with Bank	15,000
<b>Total</b>	<b>3,61,800</b>	<b>Total</b>	<b>3,61,800</b>

#### Solution 4

Please find below the receipt and payments account:

Receipts and Payments A/c of Long-Town Sports Club  
for the year ended 31<sup>st</sup> March, 3019

Dr.			Cr.
Receipts	₹	Payments	₹
To Opening Balance:		By Charity Given	10,000
Cash in Hand	50,000	By Match Expenses	30,000
Cash at Bank	60,000	By Salaries	63,600
To Subscriptions Received:		By Honorarium	4,000
2017-18	4,000	By 12% Investment Purchased	60,000
2018-19	1,40,000	By Furniture Purchased	70,000
2019-20	8,000	By Closing Balance	
To Entrance Fees	4,000	Cash in Hand	24,000
To General Donations	20,000	Cash at Bank (bal.fig.)	70,400
To Donations for Tournament	40,000		
To Interest on 12% Investments	6,000		
<b>Total</b>	<b>3,32,000</b>	<b>Total</b>	<b>3,32,000</b>

### Working Notes:

Total Receipts: ₹3,32,000

Total Payments (including, closing cash in hand balance):  
₹2,61,600

$$\begin{aligned}\text{Cash at Bank} &= \text{Total Receipts} - \\ &= \text{Total Payments} \\ &= 3,32,000 - 2,61,600 \\ &= ₹70,400\end{aligned}$$

### Solution 5

Please find below the receipt and payments account:

Receipts and Payments A/c of Evergreen Club  
for the year ended 31<sup>st</sup> March, 2019

Dr.			Cr.	
Receipts		₹	Payments	₹
To Balance b/d			By Investments Purchased	5,00,000
Cash in Hand	50,000		By Rent Paid	50,000
Cash at Bank	3,40,000	3,90,000	By General Expenses	2,30,000
To Subscription Received		15,70,000	By Postage and Stationary	25,000
To Donations Received		2,80,000	By Newspapers and Magazines	87,000

To Sale of Old Newspapers	12,000	By Books Purchased	3,40,000
To Interest on Investments Received	50,000	By Sports Materials Purchased	4,70,000
		By Honorarium to Coaches	1,50,000
		By Balance c/d	
		Cash in Hand	30,000
		Cash at Bank (bal.fig.)	4,20,000
<b>Total</b>	<b>23,02,000</b>	<b>Total</b>	<b>23,02,000</b>

### **Solution 6**

Please find below the extract of balance sheet:  
Under Liabilities in the Balance Sheet,

<b>Liabilities</b>		<b>₹</b>
Tournament Fund	50,000	
Add: Tournament Receipts	20,000	
Less: Tournament Expenses	(15,000)	55,000

### **Solution 7**

Please find below the extract of balance sheet:

Case 1:

Under Liabilities in the Balance Sheet,

<b>Liabilities</b>		<b>₹</b>
Prize Fund	50,000	

Less: Prizes Paid	(12,000)	38,000
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**Note:**

₹15,000 Match Expenses is not deducted from Prize Fund and is instead debited to the Income and Expenditure A/c because no particular fund is kept for such expenses.

**Case 2:**

Please find below the extract of balance sheet:

**Balance Sheet**

<b>Liabilities</b>		<b>₹</b>	<b>Assets</b>		<b>₹</b>
Match Fund	1,00,000		Match Fund Investments	60,000	
Add: Interest on Match Fund Investments	3,000				
Less: Match Expenses	(35,000)	68,000			

**Note:**

₹19,000 is debited to the Income and Expenditure A/c and will not be deducted from Match Fund.

**Solution 8**

Please find below the extract of balance sheet:



### Balance Sheet

Liabilities		₹	Assets		₹
Match Fund	80,000		Match Fund Investment	72,000	
Add: Interest on Match Fund Investment	2,880		Match Fund Bank Balance	3,500	
Less: Match Expenses	(5,500)	77,380			

### **Solution 9**

Please find below the extract of balance sheet:

### Balance Sheet as at 31<sup>st</sup> March, 2019

Liabilities		₹	Assets		₹
Match Fund	24,000				
Add: Donation for Match Fund	40,000				
Add: Proceed from Sale of Tickets	15,000				
Less: Match Expenses	(79,000)	0			

### Income and Expenditure A/c as on 31<sup>st</sup> March, 2019

Expenditure	₹	Income	₹
Match Expenses	23,000		

**Note:**

The total Match Expenses is ₹1,02,000. However, available funds is ₹79,000 (₹24,000 + ₹40,000 + ₹15,000). Therefore, only ₹79,000 can be used to pay off the expenses. The remaining expenses i.e. ₹23,000 (₹1,02,000 – ₹79,000) will be debited to the Income and Expenditure A/c.

### **Solution 10**

Please find below the extracts of balance sheets:

#### **Case 1:**

Balance Sheet  
as on 31<sup>st</sup> March, 2019

Liabilities	₹	Assets	₹
Capital Fund	20,00,000	Pavilion Work-in-Progress	6,00,000

#### **Case 2:**

Balance Sheet  
as on March 31st, 2019

Liabilities	₹	Assets	₹
Pavilion Fund	10,00,000	Pavilion Work-in-Progress	6,00,000
Less: Expenditure on Construction of Pavilion	(6,00,000)		
Capital Fund	20,00,000		

Add: Pavilion Work-in-Progress	6,00,000	26,00,000		
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**Case 3:**

**Balance Sheet**  
as on March 31st, 2019

<b>Liabilities</b>		<b>₹</b>	<b>Assets</b>	<b>₹</b>
Pavilion Fund	10,00,000			
Add: Donation	5,00,000		Pavilion Work-in-Progress	6,00,000
Less: Expenditure on Construction of Pavilion	(6,00,000)	9,00,000		
Capital Fund	20,00,000			
Add: Pavilion Work-in-Progress	6,00,000	26,00,000		

**Solution 11**

Please find below the income and expenditure a/c:

**Case 1:**

Income and Expenditure A/c  
as on March 31, 2019

Dr.		Cr.	
Expenditure	₹	Income	₹
		Entrance Fees	1,00,000

**Case 2:**

Income and Expenditure A/c  
as on March 31, 2019

Dr.		Cr.	
Expenditure	₹	Income	₹
		Entrance Fees (1,00,000 – 25,000)	75,000

**Solution 12**

Please find below the income and expenditure a/c:

Income and Expenditure A/c of Jaipur Literary Society

Dr.		Cr.	
Expenditure	₹	Income	₹

		Subscription Received	4,20,000	
		Less: Outstanding for 17-18	14,000	
		Add: Outstanding for 18-19	10,000	4,16,000

Therefore, ₹4,16,000 is credited as subscription for the year ended 31<sup>st</sup> March, 2019.

### Solution 13

Please find below the income and expenditure a/c:

Income and Expenditure A/c  
as on ended March 31<sup>st</sup>, 2019

Dr.		Cr.
<b>Expenditure</b>	₹	<b>Income</b> ₹
		Subscription Received:
		(450 Members × ₹200 each)
		90,000

### Solution 14

Subscription Statement of Kings Club  
as on 31<sup>st</sup> March, 2019

Particulars	₹
Subscriptions Received in the year 18-19	4,09,000
Add: Outstanding Subscription in 18-19	15,000
Less: Subscription Received in 17-18	(5,000)

Add: Subscription Received in Advance during 17-18	18,000
Less: Subscription Received in Advance during 19-20	(10,000)
<b>Subscription to be Credited to Income and Expenditure A/c</b>	<b>4,27,000</b>

### Solution 15

Subscription Statement  
as on 31<sup>st</sup> March, 2019

Particulars	₹
Subscription Received during the year 18-19	3,00,000
Less: Subscription in Arrears for the year 17-18	(50,000)
Add: Subscription in Arrears for the year 18-19	25,000
Add: Subscription in Advance for the year 18-19	30,000
Less: Subscription in Advance for the year 19-20	(70,000)
<b>Subscription to be Credited to Income and Expenditure A/c</b>	<b>2,35,000</b>

### Solution 16

**Case 1:**

Subscription Statement  
as on 31<sup>st</sup> March, 2019

Particulars	₹
Subscriptions Collected during the year 18-19	2,50,000
Add: Subscriptions in arrears for the year 18-19	6,000

Less: Subscriptions Received in Advance during the year 19-20	(5,000)
<b>Subscriptions Treated as Income for the year 18-19</b>	<b>2,51,000</b>

**Case 2:**

Subscription Statement  
as on March 31st, 2019

Particulars	₹
Subscriptions collected in the year 18-19	49,000
Add: Subscriptions collected for the year 18-19 in 17-18	3,000
Add: Unpaid subscriptions for the year 18-19	2,000
<b>Subscriptions treated as Income for the year 18-19</b>	<b>54,000</b>

**Case 3:**

Subscription Statement  
as on March 31st, 2019

Particulars	₹
Subscriptions Received for the year 18-19	25,000
Less: Outstanding subscriptions in the starting of the year 18-19	(3,000)
Add: Subscriptions not collected for the year 18-19	5,000
<b>Subscriptions treated as Income for the year 18-19</b>	<b>27,000</b>

**Case 4:**

Subscription Statement

as on March 31st, 2019

Particulars	₹
Subscriptions Received for the year 18-19	80,000
Less: Outstanding subscriptions in the year 18-19	(5,000)
Add: Subscriptions not collected for the year 18-19	8,000
Less: Subscriptions Received in Advance in the year 19-20	(2,000)
<b>Subscriptions treated as Income for the year 18-19</b>	<b>81,000</b>

**Case 5:**

Subscription Statement  
as on March 31st, 2019

Particulars	₹
Subscriptions Received in the year 18-19	90,000
Less: Outstanding subscriptions in the year 17-18	(5,000)
Add: Subscriptions Received in Advance on 31 <sup>st</sup> March, 2018	3,000
Less: Subscriptions Received in Advance on 31 <sup>st</sup> March, 2019	(4,000)
Add: Subscriptions not collected for the year 18-19	6,000
<b>Subscriptions treated as Income for the year 18-19</b>	<b>90,000</b>

**Solution 17**

**Subscription Statement**



**as on March 31st, 2019**

Particulars	₹
Subscriptions received during 2018-19	35,400
Less: Received subscriptions in arrears for the year 17-18	(400)
Less: Received in advance subscriptions for the year 19-20	(1,200)
Less: Received in advance subscriptions for the year 17-18	(300)
Add: Outstanding subscriptions for the year 18-19	400
Add: Subscriptions Received in the year 17-18 for 18-19	1,100
<b>Subscriptions credited to Income and Expenditure Account</b>	<b>35,000</b>

**Solution 18**

Please find below the income and expenditure a/c:

**Income and Expenditure Account  
as on March 31, 2019**

Dr.		Cr.	
Expenditure	₹	Income	₹
		Subscriptions Received	3,58,500
		Add: Outstanding subscription as on 31 <sup>st</sup> March, 2019	37,500
		Add: Subscription Received in Advance as on 31 <sup>st</sup> March, 2018	22,500

		Less: Outstanding subscription as on 31 <sup>st</sup> March, 2018	30,000	
		Less: Subscription Received in Advance on 31 <sup>st</sup> March, 2019	13,500	3,75,000

**Balance Sheet as on March 31, 2018**

<b>Liabilities</b>	<b>₹</b>	<b>Assets</b>	<b>₹</b>
Subscription Received in Advance	2,250	Outstanding Subscriptions	3,000

**Balance Sheet as on March 31, 2019**

<b>Liabilities</b>	<b>₹</b>	<b>Assets</b>	<b>₹</b>
Subscriptions Received in Advance	1,350	Outstanding subscriptions	3,750

**Solution 19**

**Subscriptions A/c  
as on 31st March, 2019**

<b>Dr.</b>			<b>Cr.</b>
<b>Particulars</b>	<b>₹</b>	<b>Particulars</b>	<b>₹</b>

Income & Expenditure (200 members × ₹ 100 each)	2,00,000	Bank (Subscriptions Received)	2,05,000
Outstanding Subscriptions in 31 <sup>st</sup> march, 2018	30,000	Subscriptions Received in Advance as on 31 <sup>st</sup> March, 2018	14,000
Subscriptions Received in Advance as on 31 <sup>st</sup> March, 2019	40,000	Outstanding Subscriptions in 31 <sup>st</sup> March, 2019 (bal.fig.)	51,000
	<b>2,70,000</b>		<b>2,70,000</b>

### Solution 20

#### Subscriptions A/c as on 31st March, 2019

Dr.			Cr.		
Date	Particulars	₹	Date	Particulars	₹
2018			2018		
1 <sup>st</sup> April	To Outstanding Subscriptions A/c	20,000	1 <sup>st</sup> April	By Subscriptions Received in Advance A/c	13,000
2019			2019		
31 <sup>st</sup> March	To Subscriptions Received in Advance A/c	11,000	31 <sup>st</sup> March	By Subscriptions Written off (Income &	4,000

				Expenditure A/c)	
31 <sup>st</sup> March	To Income & Expenditure A/c (bal.fig.)	2,14,000	31 <sup>st</sup> March	By Bank A/c	2,10,000
			31 <sup>st</sup> March	By Outstanding Subscriptions A/c	18,000
		<b>2,45,000</b>			<b>2,45,000</b>

### Solution 21

#### Consumed Statement as on 31st March, 2019

Particulars	₹
Medicine Purchased in the year 18-19	60,80,700
Add: Stock as on 1 <sup>st</sup> April, 2018	1,75,750
Less: Stock as on March 31st, 2019	(1,44,650)
<b>Amount of Medicines debited to Income and Expenditure Account</b>	<b>61,11,800</b>

### Solution 22

#### Medicine Consumed Statement as on 31st March, 2019

Particulars	₹
Medicine purchased in cash during the year 18-19	3,00,000

Add: Medicines Opening Stock	1,00,000
Less: Medicines Closing Stock	1,50,000
Add: Closing Creditors for Medicines	1,30,000
Less: Opening Creditors for Medicines	90,000
<b>Medicines Consumed in the year 18-19</b>	<b>2,90,000</b>

### Solution 23

(i)

#### Stationery Consumed Statement as on March 31st, 2019

Particulars	₹
Amount paid for stationery as on 31st March, 2019	5,400
Less: Closing Stock as on March 31st, 2019	(250)
<b>Amount of Stationery posted to Income and Expenditure A/c</b>	<b>5,150</b>

(ii)

#### Stationery Consumed Statement as on March 31st, 2019

Particulars	₹
Amount paid for stationery as on 31st March, 2019	5,400
Add: Opening Stock as on 1 <sup>st</sup> April, 2018	1,500
Less: Closing Stock as on 31 <sup>st</sup> March, 2019	(250)
<b>Amount of Stationery to be recorded to Income and Expenditure A/c</b>	<b>6,650</b>

(iii)

**Stationery Consumed Statement  
as on March 31st, 2019**

Particulars	₹
Amount paid for stationery as on 31 <sup>st</sup> March, 2019	5,400
Add: Opening Stock as on April 1st, 2018	1,500
Less: Closing Stock as on March 31st, 2019	(250)
Less: Creditors for Stationery as on 1 <sup>st</sup> April, 2018	(1,000)
<b>Amount of stationery to be posted to Income and Expenditure A/c</b>	<b>5,650</b>

**Solution 24**

**Stationery Consumed Statement  
as on March 31st, 2019**

Particulars	₹
Amount paid for Stationery during the year 18-19	1,40,000
Add: Opening Stock as on 1 <sup>st</sup> April, 2018	12,000
Less: Closing Stock as on 31 <sup>st</sup> March, 2019	(23,200)
Add: Creditors as on 31 <sup>st</sup> March, 2019)	24,000
Less: Creditors as on 1 <sup>st</sup> April, 2018)	(25,600)
<b>Stationery amount to be posted into Income and Expenditure A/c</b>	<b>1,27,200</b>

**Solution 25**

**Stationery Consumed Statement  
as on March 31st, 2019**

<b>Particulars</b>	<b>₹</b>
Amount paid for Stationery during the year 18-19	1,08,000
Add: Opening Stock as on April 1st, 2018	30,000
Less: Closing Stock as on March 31st, 2019	5,000
Less: Creditors as on 1 <sup>st</sup> April, 2018	20,000
Add: Creditors as on 31 <sup>st</sup> March, 2019	13,000
Add: Payment Received in Advance on 1 <sup>st</sup> April, 2018	2,000
Less: Payment Received in Advance on 31 <sup>st</sup> March, 2019	3,000
Amount of Stationery to be posted to Income and Expenditure Account	1,25,000

### **Solution 26**

#### **Sports Material Statement as on 31<sup>st</sup> March, 2018**

<b>Particulars</b>	<b>₹</b>
Payment made to the creditors of Sports Materials	91,000
Less: Creditors for the sports material as on 31 <sup>st</sup> March, 2017	37,000
Closing Stock of Sports Material as on 31 <sup>st</sup> March, 2018	55,000
Sports Material sold during the year	50,000
Add: Creditors for the sports material as on 31 <sup>st</sup> March, 2018	45,000

Cash purchase of Sports Material	40,000
Opening Stock of Sports Material as on 31 <sup>st</sup> March, 2017	50,000
<b>Sports Material consumed during the year</b>	<b>84,000</b>

### **Solution 27**

Please find below the income and expenditure a/c:

#### **Income and Expenditure A/c as on March 31, 2019**

<b>Dr.</b>				<b>Cr.</b>
<b>Expenditure</b>		<b>₹</b>	<b>Income</b>	<b>₹</b>
Sports Material	1,40,000			
Add: Opening Stock	8,000			
Less: Closing Stock	(22,000)			
Less: Creditors as on 1 <sup>st</sup> April, 2018	(6,000)	1,20,000		

#### **Balance Sheet as on March 31, 2019**

<b>Liabilities</b>	<b>₹</b>	<b>Assets</b>	<b>₹</b>
		Stock of Sport Materials	22,000



Sports Material consumed can also be calculated as:

**Creditors A/c**

<b>Dr.</b>			<b>Cr.</b>
<b>Expenditure</b>	<b>₹</b>	<b>Income</b>	<b>₹</b>
Bank A/c	1,40,000	Balance b/d (Creditors as on 1 <sup>st</sup> April, 2018)	6,000
(Amount paid for Sports Materials)		Purchases A/c (bal.fig.)	1,34,000
	1,40,000		1,40,000

**Sports Material Consumed** = Opening Stock + Purchases – Closing Stock

$$= ₹8,000 + ₹1,34,000 - ₹22,000$$

$$= ₹1,20,000$$

**Solution 28**

Please find below the income and expenditure a/c:

**Income and Expenditure Account  
as on March 31, 2019**

<b>Dr.</b>			<b>Cr.</b>
<b>Expenditure</b>	<b>₹</b>	<b>Income</b>	<b>₹</b>
Medicine	1,50,000		

Add: Opening Stock	50,000			
Less: Closing Stock	(75,000)			
Less: Creditors as on 1 <sup>st</sup> April, 2018	(40,000)			
Add: Creditors as on 31 <sup>st</sup> March, 2019	60,000	1,45,000		

**Balance Sheet  
as on March 31, 2018**

Liabilities	₹	Assets	₹
Creditors for Medicines	40,000	Medicine Stock	50,000

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**Balance Sheet  
as on March 31, 2019**

Liabilities	₹	Assets	₹
Creditors for Medicines	60,000	Stock of Medicines	75,000

**Solution 29**

Please find below the income and expenditure a/c:

**Income and Expenditure Account**

**as on March 31, 2019**

<b>Dr.</b>			<b>Cr.</b>
<b>Expenditure</b>		<b>₹</b>	<b>Income</b>
			<b>₹</b>
Sports Material Payment	71,000		Profit on Sale of Sports Material (26,000 – 20,000)
Add: Opening Stock	20,000		
Less: Closing Stock	(25,000)		
Less: Creditors as on 31 <sup>st</sup> March, 2018	(7,000)		
Add: Creditors as on 31 <sup>st</sup> March, 2019	15,000		
Less: Book Value of Material Sold	(20,000)	54,000	

**Balance Sheet**  
**as on March 31, 2018**

<b>Liabilities</b>	<b>₹</b>	<b>Assets</b>	<b>₹</b>
Sport Material Creditors	7,000	Stock of Sport Materials	20,000

**Balance Sheet  
as on March 31, 2019**

<b>Liabilities</b>	<b>₹</b>	<b>Assets</b>	<b>₹</b>
Sport Material Creditors	15,000	Stock of Sport Materials	25,000



**Solution 30**

Please find below the income and expenditure a/c:

<b>Dr.</b>			<b>Cr.</b>
<b>Expenditure</b>	<b>₹</b>	<b>Income</b>	<b>₹</b>
Sports Material Consumed	92,800		

**Balance Sheet as on March 2018**

<b>Liabilities</b>	<b>₹</b>	<b>Assets</b>	<b>₹</b>
Sports Materials Creditors	9,800	Sports Materials Stock	6,200

		Paid Advance for Sports Materials	11,0000
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**Balance Sheet  
as on March 2019**

Liabilities	₹	Assets	₹
Sports Materials	7,200	Sports Materials Stock	4,800
Creditors			
		Paid Advance for Sports Materials	19,000

**Working Notes:**

Calculation of Sports Material Consumed

Particulars	₹
Sports Material	1,02,000
Add: Opening Stock	6,200
Less: Closing Stock	4,800
Less: Creditors in the beginning	9,800
Add: Creditors at the end	7,200
Less: Advance at the end	19,000
Add: Advance in the beginning	11,000

**92,800**

**Creditors for Sports Material Account**

<b>Dr.</b>			<b>Cr.</b>
<b>Expenditure</b>	<b>₹</b>	<b>Income</b>	<b>₹</b>
Balance b/d (Advance in the beginning)	11,000	Balance b/d (Creditors in the beginning)	9,800
Bank A/c (Amount paid for stationery)	1,02,000	Purchases A/c (Balancing Figure)	91,400
Balance c/d (Creditors at the end)	7,200	Balance c/d (Advance at the end)	19,000
	1,20,200		1,20,200

Sports Material Consumed = Opening Stock + Purchases – Closing Stock = ₹6,200 + ₹91,400 – ₹4,800 = ₹ 92,800

**Solution 31**

Please find below the transactions under furniture account:

<b>Furniture A/c</b>					
<b>Dr.</b>					<b>Cr.</b>
<b>Date</b>	<b>Particulars</b>	<b>Amount</b>	<b>Date</b>	<b>Particulars</b>	<b>Amount</b>
2018 1 <sup>st</sup> April	Balance b/d Furniture 1:	30,000 30,000	2018 30 <sup>th</sup> September	Depreciation A/c Furniture 1: (for 6 Months)	1.500

Furniture 2:		2019 31 <sup>st</sup> March	Bank A/c Furniture 1:	20,000
			Income and Expenditure (Loss on Sale)	8,500
			Depreciatio n A/c Furniture 2: (1 year)	3,000
			Balance c/d Furniture 2: (30,000 – 3,000)	27,000
<b>Total</b>	<b>60,000</b>		<b>Total</b>	<b>60,000</b>

Please find below the income and expenditure account:

<b>Income and Expenditure Account as on 31<sup>st</sup> March, 2019</b>			
<b>Dr.</b>			<b>Cr.</b>
<b>Expenditure</b>	<b>Amount</b>	<b>Income</b>	<b>Amount</b>
Depreciation on Furniture (1,500 + 3,000)	4,500		
<b>Loss on Sale of Furniture</b>	<b>8,500</b>		

Profit or Loss Evaluation on Furniture Sale

<b>Particulars</b>	<b>Amount</b>
Furniture Sold at Book Value on 1 <sup>st</sup> April, 2018:	30,000
Less: Depreciation (6 months)	1,500
Book Value of Furniture on 30 <sup>th</sup> September, 2018	28,500
Less: Sale Value	20,000

**Loss on Sale of Furniture****8,500****Solution 32**

Please find below the transactions under furniture account:

<b>Furniture Account</b>					
<b>Dr.</b>			<b>Cr.</b>		
<b>Date</b>	<b>Particulars</b>	<b>₹</b>	<b>Date</b>	<b>Particulars</b>	<b>₹</b>
2018 1 <sup>st</sup> April	To Balance b/d Furniture 1: 2,00,000 Furniture 2: 20,000	2,20,000	2018 31 <sup>st</sup> December	By Depreciation A/c Furniture 2: (for 9 Months)	1,500
				By Bank (Sale of Furniture 2)	14,800
				By Income and Expenditure (Loss on Sale)	3,700
1 <sup>st</sup> October	To Bank A/c Furniture 3:	1,50,000	2019 31 <sup>st</sup> March	By Depreciation a/c Furniture 2 (20,000)	27,500



				Furniture 3 (7,500) (6 Months)	
				By Balance c/d	3,22,50 0
				Furniture 1: 1,80,000	
				Furniture 3: 1,42,500	
	<b>Total</b>	<b>3,70,00 0</b>		<b>Total</b>	<b>3,70,00 0</b>

### Working Note:

#### Profit or Loss Evaluation on Furniture Sale

Particulars	₹
Book Value of Furniture 1 as on April 1 <sup>st</sup> , 2018	20,000
Less: Depreciation (for 9 months)	(1,500)
Book Value as on 31 <sup>st</sup> December, 2018	18,500
Less: Loss on Sale of Furniture (18,500 x 20%)	(3,700)
Value of Furniture	14,800

### Solution 33

#### Calculation of Salaries:

Salaries as on March 31, 2019	
Particulars	₹
Paid Salaries	2,04,000

Add: Prepaid Salaries on 31 <sup>st</sup> March, 2018	24,000
Less: Prepaid Salaries on 31 <sup>st</sup> March, 2019	12,000
Less: Outstanding Salaries on 31 <sup>st</sup> March, 2018	18,000
Add: Outstanding Salaries on 31 <sup>st</sup> March, 2019	15,000
<b>Salary to be Charged to Income and Expenditure Account</b>	<b>2,13,000</b>

### Solution 34

Please find below the transactions under income and expenditure account:

<b>Dr.</b>	<b>Income and Expenditure A/c as on 31<sup>st</sup> March, 2019</b>		<b>Cr.</b>
<b>Expenditure</b>	<b>Amount</b>	<b>Income</b>	<b>Amount</b>
		Locker Rent	52,000
		Add: Outstanding at the end of the year	6,300
		Add: Advance in the beginning of the year	3,000
		Less: Outstanding in the beginning of the year	4,600

		Less: Advance at the end of the year	4,000	<b>52,700</b>
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### **Solution 35**

Please find below the income and expenditure account:

<b>Dr.</b>	<b>Income and Expenditure A/c as on 31st March, 2019</b>		<b>Cr.</b>
<b>Expenditure</b>	<b>Amount</b>	<b>Income</b>	<b>Amount</b>
To Salaries	4,80,000	By Subscriptions	9,00,000
To Rent	50,000	By Donations	10,000
To Stationery	20,000		
To Loss on Old Furniture Sale	10,000		
To Surplus (bal.fig)	3,50,000		
<b>Total</b>	<b>9,10,000</b>	<b>Total</b>	<b>9,10,000</b>

### **Solution 36**

Please find below the income and expenditure account:

<b>Income and Expenditure A/c as on March 31, 2019</b>			
<b>Dr.</b>			<b>Cr.</b>
<b>Expenditure</b>	<b>Amount</b>	<b>Income</b>	<b>Amount</b>
To Salaries of Nurses	65,600	By Subscriptions:	1,01,500
To Board, Laundry, and Domestic Help	38,000	11,1500 Less: Donation for Building: (10000)	
To Rent Rates and Taxes	20,000	By Fees from Non-members	27,000
To Expenses of Car	84,000	By Municipal Grant	1,00,000

To Drugs and Incidental Expenses: 67,000 Add: Outstanding Expenses: 12,800	79,800	By Interest	3,800
		By Deficit (bal.fig.)	55,100
<b>Total</b>	<b>2,87,400</b>	<b>Total</b>	<b>2,87,400</b>

### Solution 37

Please find below the income and expenditure account:

<b>Income and Expenditure Account as on March 31, 2019</b>			
<b>Dr.</b>			<b>Cr.</b>
<b>Expenditure</b>	<b>Amount</b>	<b>Income</b>	<b>Amount</b>
To Salaries and Wages: 1,60,000 Add: Outstanding: 40,000	2,00,000	By Subscriptions: 3,50,000 Add: Outstanding during 18-19: 55,000	4,05,000
To Office Expenses	35,000	By Donations	50,000
To Telephone Charges	24,000	By Entrance Fees	80,000
To Electricity Charges	32,000		
To Travelling Expenses	65,000		

To Sports Equipments Depreciation (34,0000 x 25%)	85,000		
To Surplus (bal.fig.)	94,000		
<b>Total</b>	<b>5,35,000</b>	<b>Total</b>	<b>5,35,000</b>

### Solution 38

Please find below the income and expenditure account:

<b>Income and Expenditure Account as on March 31, 2019</b>			
<b>Dr.</b>			<b>Cr.</b>
<b>Expenditure</b>	<b>Amount</b>	<b>Income</b>	<b>Amount</b>
To Rent: 60,000 Less: During 17-18 (15,000)	45,000	By Entrance Fees (2018-19)	50,000
		By Subscription 2018-19: 90,000 Add: Outstanding for 2018-19 (9,000 x 10/9): 10,000	1,00,000
To Insurance Premium: 60,000	45,000	By Donations	1,20,000
			4,800

Less: During 19-20: (15,000)		By Interest on Fixed Deposits:	
To Printing and Stationery	20,000	2,400 Add: Accrued Interest: 2,400	
To Loss on Sale of Sports Material (1200 -500)	700	By Sale of Old Newspapers	300
To Surplus (bal.fig)	1,70,600	By Locker Rent: 6,800 Less: During 17- 18: 600	6200
<b>Total</b>	<b>2,81,300</b>	<b>Total</b>	<b>2,81,300</b>

### Working Notes:

Calculation of Interest on Investment:

Interest on Investment for 6 Months $(1,20,000 \times 8\% \times 6/12)$	4,800
Less: Interest Received	2,400
<b>Accrued Interest on Investment</b>	<b>2,400</b>

### Solution 39

Please find below the income and expenditure account:

<b>Income and Expenditure A/c</b>		<b>Cr.</b>	
<b>as on 31st March, 2019</b>			
<b>Dr.</b>			<b>Cr.</b>
<b>Expenditure</b>	<b>Amount</b>	<b>Income</b>	<b>Amount</b>
		By Interest on General Fund Investments	80,000

<b>Total</b>	<b>80,000</b>		<b>80,000</b>
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Please find below the extract of balance sheet:

<b>Dr.</b>	<b>Balance Sheet as on 31st March, 2019</b>		<b>Cr.</b>
<b>Liabilities</b>	<b>Amount</b>	<b>Assets</b>	<b>Amount</b>
Sports Fund	4,00,000	Sports Fund Investment	4,00,000
General Fund	8,00,000	General Fund Investment	8,00,000
<b>Total</b>	<b>12,00,000</b>	<b>Total</b>	<b>12,00,000</b>

**Working Notes:**

<b>Calculation of Sports Fund Balance</b>	<b>Amount</b>
Sports Fund as on April 1st, 2018	3,50,000
Add: Sports Fund Donations	1,50,000
Sports Fund Investment Interest	40,000
Less: Sports Prizes Awarded	1,00,000
Sports Fund Expenses	40,000
<b>Sports Fund Balance</b>	<b>4,00,000</b>

### Solution 40

Please find below the income and expenditure account:

<b>In the books of Youth Club</b>				
<b>Dr.</b>	<b>Income and Expenditure A/c for the year ended 31st March, 2018</b>			<b>Cr.</b>
<b>Expenditure</b>	<b>Amount</b>	<b>Income</b>		<b>Amount</b>
To Salaries	31,500	By Subscriptions	60,000	
To Postage	1,250	Add: Outstanding Subscriptions (16,200 – 1,200)	15,000	75,000

To Rent	9,000		
To Printing and Stationery	14,000	By Entrance fees	1,100
To Consumed Sports Material (WN1)	10,000	By Old Magazines sale	450
To Miscellaneous Expenses	3,100	By Interest on Investments	3,500
To Depreciation	1,000		
To Surplus	10,200		
<b>Total</b>	<b>80,050</b>	<b>Total</b>	<b>80,050</b>

### Working Notes:

Sports Material Consumed = Opening Stock + Purchases – Closing Stock = 3,000 + 11,500 – 4,500 = ₹10,000

Depreciation on Furniture = 20,000 x 10% x 6/12 = ₹1,000

Interest on Investment = 70,000 x 10% x 6/12 = ₹3,500

### Solution 41

Please find below the income and expenditure a/c:

<b>Income and Expenditure Account as on March 31, 2019</b>				
<b>Dr.</b>				<b>Cr.</b>
<b>Expenditure</b>	<b>Amount</b>	<b>Income</b>	<b>Amount</b>	
To Salaries	70,000	Subscriptions (550 members x Rs 100 each)	55,000	



Add:	5,000		Entrance Fees	50,000
Outstanding at the end				
Less:	(10,000)	65,000		
Outstanding in the beginning				
To Insurance		3,500	Donations	50,000
To Sundry Expenses		4,700	Locker Rent	4,000
To Match Expenses	90,000		Profit on Furniture Sale (1,00,000 – 80,000)	20,000
Less: Match Fund	(80,000)	10,000	Investment Interest	10,000
Surplus (Balancing Figure)		1,07,800	Add: Interest	2,000
<b>Total</b>		<b>1,91,000</b>	<b>Total</b>	<b>1,91,000</b>

### Working Notes:

Calculation of Investment Interest:

Investment Interest for 9 Months ( $1,60,000 \times 10/100 \times 9/12$ )	12,000
Less: Interest Received	(10,000)
Accrued Interest on Investment	2,000

### Solution 42

Please find below the income and expenditure a/c:

<b>Income and Expenditure Account as on March 31, 2019</b>		
<b>Dr.</b>		<b>Cr.</b>

Expenditure		Amount	Income		Amount
Rent	16,800		Entrance Fees		25,500
Less: Outstanding Rent in the beginning (WN1)	8,400		Subscriptions	1,60,000	
Add: Outstanding Rent at the end	8,400	16,800	Less: Outstanding in the beginning	3,500	
Wages		24,500	Add:Outstanding	4,500	1,61,000
Lighting Charge		7,200	Donations		16,500
Lecturer's Fee		43,500	Profit on Entertainment		5,600
Office Expenses		45,000	Interest Accrued on Fixed Deposits		1,200
Depreciation on:			(80,000 x 3/100 x 6/12)		
Books	11,300				
Furniture	5,000	16,300			
Surplus (bal.fig)		56,500			
<b>Total</b>		<b>2,09,800</b>	<b>Total</b>		<b>2,09,800</b>

Please find below the extract of balance sheet:

	<b>Balance Sheet</b>		
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	<b>as on 31st March, 2018</b>		
<b>Liabilities</b>	<b>Amount</b>	<b>Assets</b>	<b>Amount</b>
Outstanding Rent	6,000	Books	2,00,000
Capital Fund (bal.fig)	3,14,400	Furniture	85,000
		Subscriptions Outstanding	3,500
		Cash and Bank	31,900
<b>Total</b>	<b>3,20,400</b>	<b>Total</b>	<b>3,20,400</b>

Please find below the extract of balance sheet:

<b>Balance Sheet as on 31st March 2019</b>					
<b>Liabilities</b>		<b>Amount</b>	<b>Assets</b>		<b>Amount</b>
Rent Outstanding		6,000	Subscriptions Outstanding		4,500
Capital Fund	3,14,400		Books	2,00,000	
Add : Life Membership Fees	25,000		Add : Purchases	21,300	
Add : Surplus	56,500	3,95,900	Less : Deprecation Furniture	(11,300)	2,10,000
				85000	

			Less : Depreciation	(5,000)	80,000
			Fixed Deposits	80,000	
			Add : Interest	1,200	81,200
			Cash at Bank		24,200
			Cash in hand		2,000
<b>Total</b>		<b>4,01,900</b>	<b>Total</b>		<b>4,01,900</b>

### Solution 43

Please find below the income and expenditure a/c:

#### Income and Expenditure Account as on March 31, 2019

Dr.					Cr.	
Expenditure		₹		Income		₹
To Salaries	28,000			By Subscription (50 members × ₹ 500 each)		25,000
Add: Outstanding for 2018-19	2,000			By Rent Received		14,000
Less: Outstanding for 2017-18	6,000	24,000		By Entertainment Profit		8,000

To General Expenses	6,000	By Sale of Old Newspapers	2,000
To Electricity Charges	4,000		
To Newspapers	8,000		
To Depreciation on Furniture (2,000 × 10%)	2,000		
Surplus (bal.fig)	5,000		
<b>Total</b>	<b>49,000</b>	<b>Total</b>	<b>49,000</b>

Please find below the extract of balance sheet:

<b>Balance Sheet</b> as on April 01, 2019					
<b>Liabilities</b>		<b>Amount</b>	<b>Assets</b>		<b>Amount</b>
Advance Subscription		4,000	Outstanding Subscription		
Outstanding Salaries		2,000	For the year 2018-19 (25,000 – 20,000)	5,000	
Capital Fund	2,47,000		For the year 2017-18 (6,000 – 5,000)	1,000	6,000
Add: Surplus	5,000	2,52,000	Building		2,00,000

		Furniture	20,000	
		Less: 10% Depreciation	2,000	18000
		Books	20,000	
		Add: Purchases	10,000	30,000
		Cash and Bank		4,000
<b>Total</b>	<b>2,58,000</b>	<b>Total</b>		<b>2,58,000</b>

### Solution 44

Please find below the income and expenditure a/c:

<b>Income and Expenditure Account as on March 31, 2019</b>				
<b>Dr.</b>				<b>Cr.</b>
<b>Expenditure</b>	<b>₹</b>	<b>Income</b>	<b>₹</b>	
General Expenses	32,000	Subscriptions	2,65,000	
Newspaper	18,500	Add: Current O/s	7,000	2,72,000
Electricity	30,000	Old Newspaper Sale		12,500
Salary	36,000	Grant from Government		1,20,000
Add: Outstanding	6,000	Interest on Fixed Deposit		9,000
Rent	65,000	(18,000 for 6 months @ 10%)		
	42,000			

Less: Prepaid	5,000	60,000		
Postage Charges		3,000		
Loss on Sale of Furniture		13,000		
Surplus		2,15,000		
		<b>4,13,500</b>		<b>4,13,500</b>

**Please find below the extract of balance sheet:**

<b>Balance Sheet</b>					
<b>as on March 31, 2019</b>					
<b>Liabilities</b>		<b>Amount</b>	<b>Assets</b>		<b>Amount</b>
Capital Fund			Books	50,000	
Opening Balance	3,85,500		Add: Purchases	70,000	1,20,000
Add: Surplus	2,15,000	6,00,500	Rent Prepaid		5,000
Salary Outstanding		6,000	Furniture	1,20,000	
Received Subscription in Advance		5,000	Add: Purchases	1,05,000	
			Less: Sale	50,000	1,75,000
			Fixed Deposit	1,80,000	
			Add: Interest	4,500	1,84,500
			Subscriptions Outstanding		15,000

		Cash	30,000
		Bank	82,000
<b>Total</b>	<b>6,11,500</b>	<b>Total</b>	<b>6,11,500</b>

### Calculation of Capital Fund:

<b>Balance Sheet as on March 31, 2018</b>			
<b>Liabilities</b>	<b>Amount</b>	<b>Assets</b>	<b>Amount</b>
Capital Fund	3,85,500	Outstanding Subscriptions	20,000
		Books	50,000
		Furniture	1,20,000
		Cash	40,000
		Bank	1,55,500
<b>Total</b>	<b>3,85,500</b>	<b>Total</b>	<b>3,85,500</b>

### Solution 45

Please find below the income and expenditure a/c:

<b>Dr.</b>	<b>Income and Expenditure A/c as on 31st March, 2019</b>		<b>Cr.</b>
<b>Expenditure</b>	<b>Amount</b>	<b>Income</b>	<b>Amount</b>
To Loss on Sale of Sports Equipment	4,000	By Subscriptions	1,81,000
To Sports Equipments used (WN1)	15,000	Add: Advance Subscriptions (Prev. Year)	6,000



To Wages and Salaries [60,000 – 5,000 (Prev. Year)]	55,000	Less: Advance Subscriptions (Next Year)	4,000	1,80,500
To Upkeep of Ground	10,000	Subscriptions Received (Prev. Year)	2,500	
To Stationery	15,000	By Sale of Old Materials		1,500
To Audit Fees	2,000	By Entrance Fees		2,000
To Depreciation on Billiards Table (60,000 × 10/100)	6,000	By Interest Accrued on 5% Investments		1,000
To Surplus	78,000	(40,000 × 5/100 × 6/12)		
<b>Total</b>	<b>1,85,000</b>	<b>Total</b>		<b>1,85,000</b>

**Working Notes:**

<b>Sports Material Consumed</b>	=	<b>Opening Stock + Purchases – Closing Stock – Sales</b>
	=	₹ (50,000 + 20,000 – 45,000 – 10,000) = ₹ 15,000

**Working Note:**

<b>Balance Sheet of Glaxo Club as at 31st March, 2019</b>				
<b>Liabilities</b>		<b>₹</b>	<b>Assets</b>	
				<b>₹</b>
Capital Fund	2,00,00 0		Sports Equipment	45,000

Add: Life Membership fee	50,000		Grounds		1,20,000
Add: Surplus	78,000	3,28,000	Billiards Table	60,000	
			Less: Depreciation	6,000	54,000
Tournament Fund	60,000				
Add: Donations	20,000		Investments 5%		40,000
Less: Tournament Expenses	65,000	15,000	Investments Interest		1,000
			Outstanding Subscriptions		5,500
Advance Subscriptions Received		4,000	Cash and Bank Balances		87,500
Unpaid Salaries		6,000			
<b>Total</b>		<b>3,53,000</b>	<b>Total</b>		<b>3,53,000</b>
		<b>0</b>			<b>0</b>

### **Solution 46**

Please find below the income and expenditure account:

<b>Dr.</b>	<b>Income and Expenditure A/c for the year ended 31st March, 2019</b>	<b>Cr.</b>
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<b>Expenditure</b>	<b>Amount</b>	<b>Income</b>		<b>Amount</b>
To Upkeep of fields	20,000	By Member's Subscriptions	50,000	
To Rates and Insurance	2,000	Add: Outstanding Subscriptions (7,500 – 5,000)	2,500	52,500
To Telephone	500	By Admission fee		3,000
To General Charges	500	By Donations		75,000
To Secretary's Honorarium	2,000	By Legacy Donations		25,000
To Bats and Balls written off (WN1)	11,000	By Hire of Ground		3,000
To Stationery written off (WN2)	750	By Sale of Old bats, etc.		500
To Surplus	1,22,250			
<b>Total</b>	<b>1,59,000</b>	<b>Total</b>		<b>1,59,000</b>

**Working Note:**

Bat and Ball = Opening Stock + Purchase = 15,000 + 7,000 = ₹22,000

Written off Bat and Ball = 22,000 x 50/100 = ₹11,000

Stationery = Opening Stock + Purchases = 2,000 + 1,000 = ₹3,000

Written off Stationery = 3,000 x 25/100 = ₹750

**Balance Sheet  
as on 1st April, 2018**

<b>Liabilities</b>	<b>Amount</b>	<b>Assets</b>	<b>Amount</b>
Capital Fund (bal.fig.)	52,000	Bats and Balls	15,000

		Stationery	2,000
		Subscriptions due	5,000
		Cash in Hand	10,000
		Cash at Bank	20,000
<b>Total</b>	<b>52,000</b>	<b>Total</b>	<b>52,000</b>

### Calculation of Capital Fund:

<b>Balance Sheet</b>					
<b>as on 31st March, 2019</b>					
<b>Liabilities</b>		<b>₹</b>	<b>Assets</b>		<b>₹</b>
Capital Fund	52,000		Bats and Balls Stock	15,000	
Add: Surplus	1,22,250	1,74,250	Add: Purchases	7,000	
			Less: Written off	11,000	11,000
Tournament Subscriptions	10,000				
Less: Expenses of Tournament	7,000	3,000	Stationery	2,000	
			Add: Purchases	1,000	
			Less: Written off	750	2,250
			Outstanding Subscriptions		7,500

		Cash in Hand	1,00,000
		Cash at Bank	56,500
<b>Total</b>	<b>1,77,250</b>	<b>Total</b>	<b>1,77,250</b>

### Solution 47

Please find below the income and expenditure account:

<b>Dr.</b>		<b>Income and Expenditure A/c</b>		<b>Cr.</b>	
<b>as on 31st March, 2019</b>					
<b>Expenditure</b>		<b>Amount</b>	<b>Income</b>		<b>Amount</b>
To Salary		20,000	By Donations		50,000
To Repair Expenses		5,000	By	1,20,000	
			Subscription	0	
To Miscellaneous Expenses		5,000	Add:	9,000	
			Subscription		
			Outstanding		

Less: Prepaid Expenses	900	4,100	Less: Advance Subscriptions	3,500	1,25,500
To Insurance Premium	2,000		By Entrance Fees		10,000
Add: Outstanding Premium	400	2,400	By Interest on Investments	1,000	
To Paper, Ink, etc.		1,500	Add: Accrued Interest (WN1)	2,000	3,000
To Drama Expenses		5,000	By Interest received from Bank		4,000
To Surplus- Excess of Income over Expenditure		1,66,500	By Sale of Old Newspapers		1,500
			By Sale of Drama Tickets		10,500
<b>Total</b>		<b>2,04,500</b>	<b>Total</b>		<b>2,04,500</b>

Please find below the extract of balance sheet:

<b>Balance Sheet</b> <b>as on 31st March, 2019</b>				
<b>Liabilities</b>		<b>Amount</b>	<b>Assets</b>	
			<b>Amount</b>	
Capital Fund	3,60,000		Furniture	60,000

Add: Surplus	1,66,500	5,26,500	Investments	60,000
			Billiard Table	3,00,000
Insurance Premium Outstanding	400		Prepaid Miscellaneous Expenses	900
Advance Subscriptions	3,500		Investments Interest	2,000
			Subscriptions Outstanding	9,000
			Cash and Bank	98,500
<b>Total</b>	<b>5,30,400</b>		<b>Total</b>	<b>5,30,400</b>

**Working Notes:**

5 months Interest on Investments	₹ (60,000 x 8/100 x 5/12)
	₹ 2,000

**Balance Sheet:**

<b>Balance Sheet</b>			
<b>as on 1st April, 2018</b>			
<b>Liabilities</b>	<b>Amount</b>	<b>Assets</b>	<b>Amount</b>
Capital Fund (Balancing Figure)	3,60,000	Billiard Table	3,00,000
		Cash and Bank	1,40,000
Billiard Table Creditors	80,000		
<b>Total</b>	<b>4,40,000</b>	<b>Total</b>	<b>4,40,000</b>

**Solution 48**

Please find below the income and expenditure A/c:

**Income and Expenditure Account  
as on March 31st, 2019**

<b>Dr.</b>			<b>Cr.</b>	
<b>Expenditure</b>		<b>Amount</b>	<b>Income</b>	<b>Amount</b>
To Charity		1,15,000	By Donation	90,000
To Rent	32,000		By Subscription	4,28,000
Add: Outstanding Rent	6,000	38,000	By Interest on Investments (45,000 + 11,000)	56,000
To Salary	60,000		By Sale of Old Newspapers	2,000
Add: Outstanding	9,000	69,000		
To Advertisement	45,000			
Add: Outstanding	10,000	55,000		
To Insurance	20,000			
Less: Prepaid	5,000	15,000		
To Printing		6,000		
To Postage		3,000		
To Surplus		2,75,000		
<b>Total</b>		<b>5,76,000</b>	<b>Total</b>	<b>5,76,000</b>

**Please find below the extract of balance sheet:**

**Balance Sheet  
as on March 31, 2019**

<b>Liabilities</b>	<b>Amount</b>	<b>Assets</b>	<b>Amount</b>
Capital Fund		Cash	99,000



Opening Balance	2,41,000		Bank	1,60,000
Add: Legacy	1,80,000		Insurance Prepaid	5,000
Add: Surplus	2,75,000	6,96,000	Furniture	2,16,000
Rent Outstanding		6,000	Investment	2,30,000
			Add: Interest	11,000
				2,41,000
<b>Total</b>		<b>7,21,000</b>	<b>Total</b>	<b>7,21,000</b>

### Working Note:

### Calculation of Capital Fund:

<b>Balance Sheet</b> as on March 31, 2018			
<b>Liabilities</b>	<b>Amount</b>	<b>Assets</b>	<b>Amount</b>
Capital Fund	2,41,000	Cash	1,15,000
		Banks	1,26,000
<b>Total</b>	<b>2,41,000</b>	<b>Total</b>	<b>2,41,000</b>

### Solution 49

Please find below the income and expenditure account:

<b>Income and Expenditure A/c</b> as on March 31, 2019			
<b>Dr.</b>			<b>Cr.</b>
<b>Expenditure</b>	<b>Amount</b>	<b>Income</b>	<b>Amount</b>

To Municipal Taxes: 4,000 Add: Prepaid in 17-18: 1,000 Less: Prepaid in 18-19: 1,000	4,000	By Subscription (500 members x ₹500)	2,50,000
		By Interest Accrued on Investment (2,00,000 x 6/100 x 5/12)	5,000
		By Profit from Drama:	
To Salaries: 60,000 Add: Outstanding: 5,000	65,000	By Proceeds: 95,000 Less: Drama Expenses: 45,000	50,000
To Expenses	7,500	By Sale of Waste Paper	4,500
To Newspapers	15,000	By Donations	54,000
To Charity	35,000		
To Electricity Charges	14,500		
To Surplus (bal.fig.)	2,22,500		
<b>Total</b>	<b>3,63,500</b>	<b>Total</b>	<b>3,63,500</b>

Please find below the extract of balance sheet:

<b>Balance Sheet as on April 01, 2018</b>			
<b>Liabilities</b>	<b>Amount</b>	<b>Assets</b>	<b>Amount</b>
Capital Fund (bal.fig.)	6,12,500	Subscriptions Outstanding (4,000 + 5,000)	9,000
		Municipal Taxes Prepaid	1,000
		Building	5,00,000
		Cash and Bank	1,02,500
<b>Total</b>	<b>6,12,500</b>	<b>Total</b>	<b>6,12,500</b>

Please find below the extract of balance sheet:

**Balance Sheet**  
**as on April 01, 2018**

<b>Liabilities</b>	<b>Amount</b>	<b>Assets</b>		<b>Amount</b>
Subscription Advance	6,000	Outstanding Subscriptions		
Outstanding Salaries	5,000	For 2018-19 (2,50,000 – 2,05,000)	45,000	
Capital Fund: 6,12,500 Add: Surplus: 2,22,500	8,35,000		5,000	50,000
		Prepaid Municipal Taxes		1,000
		Building		5,00,000
		Investments: 2,00,000 Add: Accrued Interest: 5,000		2,05,000
		Cash at Bank		90,000
<b>Total</b>	<b>8,46,000</b>	<b>Total</b>		<b>8,46,000</b>

**Solution 50**

Please find below the income and expenditure account:

**Income and Expenditure A/c**  
**as on 31st March, 2019**

<b>Dr.</b>		<b>Cr.</b>	
<b>Expenditure</b>	<b>Amount</b>	<b>Income</b>	<b>Amount</b>
Salary: 3,30,000 Add: Outstanding Salaries: 30,000	3,60,000	Subscription: 6,60,000 Add: Advance in the beginning	6,80,000

		20,000	
Sports Materials Consumed	50,000	Investments Interest	40,000
Surplus	3,10,000		
<b>Total</b>	<b>7,20,000</b>	<b>Total</b>	<b>7,20,000</b>

Please find below the extract of balance sheet:

<b>Balance Sheet</b> as on 31st March,2019			
<b>Liabilities</b>	<b>Amount</b>	<b>Assets</b>	<b>Amount</b>
Outstanding Salaries	30,000	Investments	5,00,000
Capital Fund: 9,70,000		Stock of Sports Material	6,50,000
Add: Surplus: 3,10,000	12,80,000	Cash	1,60,000
<b>Total</b>	<b>13,10,000</b>	<b>Total</b>	<b>13,10,000</b>

**Working Notes:**

**Calculation of Sports Material Consumed:**

<b>Particulars</b>	<b>Amount</b>
Sports Material Purchased	4,00,000
Add: Opening Stock of Sports Material	3,00,000
Less: Closing Stock of Sports Material	6,50,000
<b>Sports Material Consumed</b>	<b>50,000</b>

**Calculation of Capital Fund:**

<b>Balance Sheet</b> as on April 01,2018			
<b>Liabilities</b>	<b>Amount</b>	<b>Assets</b>	<b>Amount</b>

Subscription Received in Advance	20,000	Investments	5,00,000
Capital Fund (bal.fig.)	9,70,000	Stock of Sports Material	3,00,000
		Cash	1,90,000
<b>Total</b>	<b>9,90,000</b>	<b>Total</b>	<b>9,90,000</b>

### Calculation of Outstanding Salaries:

Outstanding Salaries =  $3,30,000 \times 1/11 = ₹ 30,000$

### Calculation of Investments:

Investments =  $40,000 \times 100/8 = ₹5,00,000$

### Solution 51

Please find below the income and expenditure account:

<b>Income and Expenditure Account as on March 31, 2019</b>			
<b>Dr.</b>			<b>Cr.</b>
<b>Expenditure</b>	<b>Amount</b>	<b>Income</b>	<b>Amount</b>
To Rent: 16,800	16,800	Entrance Fees	5,500
Add: Advance in the beginning: 4,200		Subscriptions: 1,80,000	1,82,000
Less: Advanced at the end (4,200)		Add: Arrears at the end: 5,500	
To Wages	24,500	Less: Arrears in the beginning (3,500)	
To Lighting Charges	7,200	Donations	16,500
To Office Expenses	45,000		

To Depreciation on: To Furniture: 8,500 Books 22,480	30,980	Deposits Interest: 2,400 Add: Interest: 2,400	4,800
		Profit from Seminar:	
Surplus (Bal. Fig.)	87,320	Proceeds: 23,200 Less: Expenses: (20,200)	3,000
<b>Total</b>	<b>2,11,800</b>	<b>Total</b>	<b>2,11,800</b>

Please find below the extract of balance sheet:

<b>Balance Sheet</b> as on April 01, 2018			
<b>Liabilities</b>	<b>Amount</b>	<b>Assets</b>	<b>Amount</b>
		Advance Rent	4,200
		Subscription-in- Arrears	3,500
		Books	2,00,000
Capital Fund (Balancing Figure)	3,24,600	Furniture	85,000
		Cash in Hand	31,900
<b>Total</b>	<b>3,24,600</b>	<b>Total</b>	<b>3,24,600</b>

Please find below the balance sheet:

<b>Balance Sheet</b> as on April 01, 2018			
<b>Liabilities</b>	<b>Amount</b>	<b>Assets</b>	<b>Amount</b>
		Subscription-in- Arrears	5,500
		Advance Rent	4,200

Government Grant: 2,00,000 Less: Medicines: 1,00,000 Less: Salaries: 80,000	20,000	Books: 2,00,000 Add: Purchase: 24,800 Less: Depreciation at 10%: 22,480	2,02,320
Capital Fund: 3,24,600 Add: Surplus: 87,320 Add: Life Membership 25,000	4,36,920	Furniture: 85,000 Less: 10% Depreciation: 8,500	76,500
		Cash in Hand	26,000
		Cash at Bank	20,000
		Fixed Deposit @ 8%: 1,20,000 Add: Interest on deposit: 2,400	1,22,400
<b>Total</b>	<b>4,56,920</b>	<b>Total</b>	<b>4,56,920</b>

### Working Note:

#### Calculation of Fixed Deposits Interest

Interest on Fixed Deposits (1,20,000 x 8/100 x 6/12)	4,800
Less: Interest Received	(2,400)
<b>Interest on Fixed Deposits</b>	<b>2,400</b>

### Solution 52

Dr.	Income and Expenditure A/c as on 31st March, 2019		Cr.
Expenditure	Amount	Income	Amount

To Rent	18,000	By Entrance Fess	3,200
To Wages	7,000	By Locker Rent	1,200
To Interest	2,000	By Profit from Entertainment	3,000
To Postage Consumed	1,100	By Subscriptions: 40,000	
To Depreciation on Furniture	2,500	Less: Outstanding Sub. (31st March, 2018): 1,200	
To Salary	24,000	Add: Outstanding Sub. (31st March, 2019): 2,300	41,100
		By Deficit- Excess of Expenditure over Income	6,100
<b>Total</b>	<b>54,600</b>	<b>Total</b>	<b>54,600</b>

### Working Notes:

<b>Postage Consumed</b>	Opening Stock + Purchases – Closing Stock – Sales ₹ (300 + 1,000 – 200) = ₹ 1,100
<b>Depreciation on Furniture</b>	Opening Value + Purchases – Closing Value ₹ (15,000 + 10,000 – 22,500) = ₹ 2,500

**Balance Sheet of Shankar Sports Club  
as at 1st April, 2018**



<b>Liabilities</b>	<b>Amount</b>	<b>Assets</b>	<b>Amount</b>
Loan at 10% p.a.	20,000	Furniture	15,000
Outstanding Rent	1,500	Postage	300
		Outstanding Subscriptions	1,200
		Cash in Hand	2,600
		Capital Fund Deficit (bal.fig)	2,400
<b>Total</b>	<b>21,500</b>	<b>Total</b>	<b>21,500</b>

**Balance Sheet of Shankar Sports Club  
as at 1st April, 2019**

<b>Liabilities</b>	<b>Amount</b>	<b>Assets</b>	<b>Amount</b>
Loan at 10% p.a.	20,000	Capital Fund Deficit:	8,500
Donation for Building	23,000	2,400	
		Add: Deficit: 6,100	
Rent Outstanding	1,500	Furniture	22,500
Fees for Life Membership	7,000	Billiard Table	14,000
		Postage	200
		Outstanding Subscriptions	2,300
		Cash in Hand	4,000
		Furniture	22,500
<b>Total</b>	<b>51,500</b>	<b>Total</b>	<b>51,500</b>

**Solution 53**

Please find below the transactions under income and expenditure account:

<b>Income and Expenditure Account as on 31<sup>st</sup> March, 2019</b>			
<b>Dr.</b>			<b>Cr.</b>
<b>Expenditure</b>	<b>₹</b>	<b>Income</b>	<b>₹</b>
To Medicine: 30,590 Add: Opening Stock: 8,810 Less: Closing Stock: (9,740)	29,660	By Subscription: 47,996 Add: Due for 18-19: 280 Less: Due for 17-18: 240 Less: Advance for 19- 20: 100 Add: Advance for 18- 19: 64	48,000
To Doctor's Honorarium	9,000		
To Salaries	27,500		
To Petty Expenses	461	By Donations	14,500
To Charity Show Expenses	750	By Investments Interest	7,000
To Equipments Depreciation	4,600	By Proceeds from Charity Show	10,450
To Depreciation on Building	2,000		
To Surplus (bal.fig.)	5,979		
<b>Total</b>	<b>79,950</b>	<b>Total</b>	<b>79,950</b>

Please find below the extract of balance sheet of transactions:

<b>Balance Sheet as on April 01, 2018</b>			
<b>Liabilities</b>	<b>Amount</b>	<b>Assets</b>	<b>Amount</b>
Subscription Advance	64	Due Subscription	240

Capital Fund (bal.fig.)	1,77,316	Medicines Stock	8,810
		Equipments	21,200
		Building	40,000
		Cash in Hand	7,130
		Investments	1,00,000
<b>Total</b>	<b>1,77,380</b>	<b>Total</b>	<b>1,77,380</b>

Please find below the extract of balance sheet:

<b>Balance Sheet</b> <b>as on April 01, 2019</b>			
<b>Liabilities</b>	<b>Amount</b>	<b>Assets</b>	<b>Amount</b>
Advance Subscription	100	Subscription Due	280
Capital Fund: 1,77,316 Add: Surplus: 5,979	1,83,295	Medicines Stock	9,740
		Equipments: 21,200 Add: Purchases: 15,000 Less: Depreciation: (4,600)	31,600
		Building: 40,000 Less: Depreciation: (2,000)	38,000
		Cash in Hand	3,775
		Investments at 7%	1,00,000
<b>Total</b>	<b>1,83,395</b>	<b>Total</b>	<b>1,83,395</b>

### Working Notes:

#### Calculation of Investment:

$$\text{Investment} = \text{Interest} \times 100 / \text{Rate of Return} = 7,000 \times 100 / 7 = \text{₹}1,00,000$$

### **Solution 54**

Please find below the income and expenditure account:

<b>Income and Expenditure A/c as on 31<sup>st</sup> March, 2019</b>			
<b>Dr.</b>		<b>Cr.</b>	
<b>Expenditure</b>	<b>Amount</b>	<b>Income</b>	<b>Amount</b>
To Stationery	32,500	By Donation	30,000
To Electricity Charges: 95,500 Add: Outstanding: 12,500	1,08,000	By Government Grant	1,50,000
		By Sale of Old Newspapers	3,000
To Salary: 1,25,000 Add: Current Outstanding: 18,000		By Proceeds of Charity Show	36,000
		By Interest on Investments	70,000
	1,31,000	By Sundries Income	4,000

Less: Previous Outstanding: (12,000)			
To Insurance: 75,000 Add: Previous: 7,000 Less: Current: 3,000	79,000	By Subscription: 8,17,500 Add: Current Outstanding: 25,000 Add: Previous Advance: 17,500 Less: Previous Outstanding: (37,500) Less: Current Advance: (10,000)	8,12,500 0
To Petty Expenses	5,000		
To Newspapers	10,000		
To Lectures Fees	1,65,000		
To Honorarium to Secretary	1,20,000		
To Depreciation on Equipment	54,000		
To Depreciation on Building	60,000		
To Surplus	3,41,000		
<b>Total</b>	<b>11,05,500</b>	<b>Total</b>	<b>11,05,500</b>

**Balance Sheet  
as on 3st March, 2019**

<b>Liabilities</b>	<b>Amount</b>	<b>Assets</b>	<b>Amount</b>
Capital Fund: Opening Balance: 22,66,000		Prepaid Insurance	3,000
		Outstanding Subscription	25,000

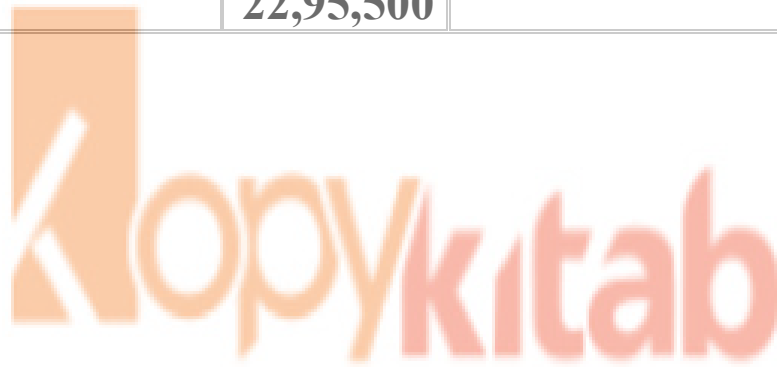
Add: Surplus: 3,41,000	26,07,0 00	Investments	7,00,0 00
Salary Outstanding	18,000	Equipment: 2,56,000	
Subscription Received in Advance	10,000	Add: Purchases: 3,00,000	5,02,0 00
Outstanding Electricity Charges	12,500	Less: Depreciation: 54,000	
		Cash	20,500
		Bank	2,50,0 00
		Building: 12,00,000	11,40, 000
		Less: Depreciation: 60,000	
		Stock of Stationery	7,000
<b>Total</b>	<b>26,47,5 00</b>	<b>Total</b>	<b>26,47, 500</b>

### Working Notes:

#### Calculation of Capital Fund:

<b>Balance Sheet</b> <b>as on March 31, 2018</b>			
<b>Liabilities</b>	<b>Amount</b>	<b>Assets</b>	<b>Amount</b>

Outstanding Salary	12,000	Prepaid Insurance	7,000
Subscription Received in Advance	17,500	Outstanding Subscription	37,500
Capital Fund	22,66,000	Stock of Stationery	22,500
		Equipment	2,56,000
		Building	12,00,000
		Cash	22,500
		Bank	50,000
		Investments	7,00,000
	<b>22,95,500</b>		<b>22,95,500</b>

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