

**Dr.SNS RAJALAKSHMI COLLEGE OF ARTS AND SCIENCE
(Autonomous)**

**Accredited by NAAC - UGC with 'A+ Grade (Cycle IV)
(Recognized by UGC, Approved by AICTE & Affiliated to Bharathiar University)
Coimbatore- 49**

**DEPARTMENT OF COMMERCE WITH INFORMATION
TECHNOLOGY**

**21UCR402 – FUNCTIONAL ACCOUNTING
Unit-2: Non-Profit Organization – PROBLEMS II**

**Ms.S.Meenakshi, Assistant Professor
Department of Commerce with Information Technology**

PROBLEM 1

From the following details, ascertain the amount of subscriptions to be credited to Income and Expenditure Account for the Year 2009. Subscription received in 2009- Rs. 48,000 which include Rs. 4,000 for 2008 and Rs. 8,000 for 2010. Subscriptions due but not received at the end of the year 2009 were Rs. 20,000. Subscriptions received in 2008 in advance for 2009 were Rs. 12,000.

| Particulars | Amount (₹) |
|--|------------|
| Subscriptions received in 2009 | 48,000 |
| Less: Subscriptions for 2008 | (4,000) |
| Less: Subscriptions for 2010 | (8,000) |
| Subscriptions relating to 2009 (received in 2009) | 36,000 |
| Add: Outstanding subscriptions at end of 2009 | 20,000 |
| Add: Subscriptions received in 2008 for 2009 | 12,000 |
| Total Subscriptions for 2009 (Income & Expenditure A/c) | 68,000 |

PROBLEM 2

How do you incorporate the following in the Tanjore Turf Club Balance Sheet for the Year 31-3-2009? Medal Distribution Fund- Rs. 98,400; Interest on the Fund Investments- Rs. 28,900; Medals Distributed- Rs. 28,700; Medal Distribution Fund Investment- Rs. 98,000.

Balance Sheet of Tanjore Turf Club As at 31-03-2009

Assets

| Particulars | Amount (₹) |
|-------------------------|------------|
| Medal Distribution Fund | 98,000 |
| Investments | |

Liabilities

| Particulars | Amount (₹) |
|--|---------------|
| Medal Distribution Fund: | |
| Opening balance | 98,400 |
| Add: Interest on Fund Investments | 28,900 |
| Less: Medals Distributed | (28,700) |
| Closing Medal Distribution Fund | 98,600 |

PROBLEM 3

How will the following appear in the final accounts of a Club for the year 2017-2018. a) Prize Fund on 1.4.2017 - Rs. 60,000 b) Prize Fund Investment on 1.4.2017 -Rs. 60,000 c) Interest received on Prize Fund Investment -Rs. 6,000 d) Prizes Distributed -Rs. 8,000 e) Donation received for Prize Fund -Rs.12,000

Final Accounts of the Club for the year 2017–2018.

Prize Fund Account

| Particulars | Amount (₹) |
|--|---------------|
| Prize Fund balance on 1.4.2017 | 60,000 |
| Add: Interest on Prize Fund Investment | 6,000 |
| Add: Donation received for Prize Fund | 12,000 |
| Less: Prizes Distributed | (8,000) |
| Closing Prize Fund (31.3.2018) | 70,000 |

Balance Sheet of Tanjore Turf Club As at 31-03-2009

Assets

| Particulars | Amount (₹) |
|---|---------------|
| Prize Fund Investment (Opening) | 60,000 |
| Add: Donation for Prize Fund (assumed invested) | 12,000 |
| Prize Fund Investments | 72,000 |

Liabilities

| Particulars | Amount (₹) |
|-------------|------------|
| Prize Fund | 70,000 |

PROBLEM 4

Compute Income from Subscription for the Year 2018 from the following particulars relating to a Club. Outstanding Subscription for the Year 1.1.2018 was Rs. 10,000 and 31.12.2018 was Rs. 7,000. Subscription Received in Advance 1.1.2018 was Rs. 3,000 and 31.12.2018 was Rs. 5,000. Subscription Received during the year 2018 was Rs. 1,50,000

- **Start with subscriptions actually received during 2018**

Cash received = ₹1,50,000

- **Add outstanding subscription at the end of the year (31-12-2018)**

This amount relates to 2018 but has not yet been received, so it must be included as income.

Add ₹7,000

- **Add advance subscription at the beginning of the year (1-1-2018)**

This amount was received earlier but relates to 2018, so it becomes income of the current year.

Add ₹3,000

- **Less outstanding subscription at the beginning of the year (1-1-2018)**

This amount relates to the previous year (2017) and was received in 2018, so it should not be treated as income of 2018.

Less ₹10,000

- **Less advance subscription at the end of the year (31-12-2018)**

This amount is received in 2018 but relates to 2019, so it should be excluded from 2018 income.

Less ₹5,000

| Particulars | Amount (₹) |
|---|-------------------|
| Subscription received during 2018 | 1,50,000 |
| Add: Outstanding subscription at end (31.12.2018) | 7,000 |
| Add: Subscription received in advance at beginning (1.1.2018) | 3,000 |
| Less: Outstanding subscription at beginning (1.1.2018) | (10,000) |
| Less: Subscription received in advance at end (31.12.2018) | (5,000) |
| Income from Subscription for 2018 | ₹1,45,000 |

THANK YOU