

B.P.College of Business Administration
SEM - II Subject: BBA 10 Financial Accounting - I
Assignment No-1, Date: 8/12/14
(Based on Chapter - 1 : Non-Trading Concerns)

- [1] From the following Trial Balance and necessary information given below for a Smart School, prepare Income and Expenditure Account for the year 1997-98 and Balance Sheet as at 31st March, 1998:

Debit Balances:	Rs.	Credit Balances:	Rs.
Buildings	375,000	Admission Fees	7,500
Furniture and Fittings	60,000	Tuition and other fees received	300,000
Library Books	90,000	Creditors for supplies	9,000
Investments @ 15%	300,000	Rent for the Hall	6,000
Salaries	300,000	Miscellaneous Receipts	18,000
Stationery	22,500	Government Grant	210,000
General Expenses	12,000	General Fund	600,000
Annual Sports Expenses	9,000	Donation Received for Purchase of Library Books	37,500
Cash at Bank	30,000	Sale of Old Furniture	12,000
Cash at Hand	1,500		
	1,200,000		1,200,000

Fees yet to received for the year is Rs. 15,000. Salaries yet to be paid amount to Rs. 18,000. Furniture costing Rs. 22,500 was purchased on 30-9-97. The book-value of the furniture sold was Rs. 30,000 on 1-4-97. Depreciation is to be charged @ 10% per annum on Furniture and Fittings; 15% on Library Books and 5% on Buildings.

- [2] Following is the Receipts and Payments Account of Get well Medical Society for the year ended 31st March, 1997:

RECEIPTS AND PAYMENTS ACCOUNT
for the year ended 31st March, 1997

Receipts	Rs.	Payments	Rs.
To Cash in hand on 1st April 1996	3,500	By Payments for medicines	15,000
To Subscriptions	25,000	By Honorarium to doctors	5,000
To Donations	7,250	By Salaries	13,750
To interest on investments at 7% for the year	3,500	By Sundry expenses	250
To Charity show proceeds	5,000	By Equipment purchased	7,500
		By Charity show expenses	500
		By Cash in hand on 31st March 1997	2,250
	44,250		44,250

Additional Information:

	01-04-96	31/3/1997
(i) Subscriptions due	250	500
(ii) Subscriptions received in advance	500	250
(iii) Stock of medicines	5000	7500
(iv) Amount due to medicine supplier	4000	6000
(v) Value of equipments	10500	15000
(vi) Value of buildings	20000	19000

You are required to prepare:

- (a) Income and Expenditure Account for the year ended 31st March, 1997; and
 (b) Balance Sheet as on that date.

Show all your workings.

- [3] From the following particulars relating to Reema Charitable Hospital, prepare
 (i) receipts and payments account for the year ended 31st March, 1996; and
 (ii) balance sheet as on 31st March, 1996:

Expenditure	Rs.	Income	Rs.
To Medicines used	26,982	By Subscriptions	50,400
To Honorarium to doctors	10,800	By Donations	8,550
To Salaries	24,750	By Interest on investments @ 11% per	9,900
To Printing & Stationery	990	By Income from film show:	-
To Electricity	428	Proceeds	10305
		Less:	-
To Rent	5,400	Expenses	702
To Depreciation on furniture	1,890		
To Depreciation on equipment	2,925		
To Surplus, i.e. Excess of income over	4,289		
	78,453		78,453

Additional Information:

	04-01-95	31/3/1996
(i) Subscriptions due	108	144
(ii) Subscriptions received in advance	57.6	90
(iii) Electricity bills unpaid	82.8	103.5
(iv) Stock of medicines	7038	8775
(v) Estimated value of equipments	10440	12510
(vi) Furniture and Fixtures	18900	17010
(vii) Land	-	9000
(viii) Interest accrued on investment in 11% debentures costing Rs. 1,02,500 (Face Value: Rs. 1,00,000)	3375	3375
(ix) Cash in hand	306	144
(x) Cash at bank	8100	?

- [4] Prepare an Income and Expenditure Account and Balance sheet from the following Receipts and Payments Accounts and Balance Sheet of a Excellent School.

RECEIPTS AND PAYMENTS ACCOUNT
For the year ending 31st March, 2008

Receipts	Rs.	Payments	Rs.
To Opening Balance (1-4-2007)	100,000	By Pay and Allowances:	
To Tuition Fees	145,000	Teaching Staff	270,000
To Fines	5,000	Office Staff	60,000
To Grants-in-Aid	290,000	Menial Staff	22,000
			352,000
To Interest on Securities	2,000	By Provident Fund Contribution:	
To Rent from use of Hall	4,700	Teaching Staff	22,500
To Examination Fees	6,000	Office Staff	5,000
		Menial Staff	1,500
			29,000
		By Books for Library	25,000

		By Newspapers & Magazines	2,000
		By Science Equipment	2,500
		By Science Contingencies	2,000
		By Postage and Telegrams	2,300
		By Repairs to Buildings	2,700
		By General Charges	2,400
		By Audit Fee	1,000
		By Municipal Tax	500
		By Outstanding Creditors	3,000
		By Closing Balance (31-3-2008)	128,300
	552,700		552,700

BALANCE SHEET
as at 31st March, 2007

Liabilities	Rs.	Assets	Rs.
Outstanding for Expenses	3,000	Cash	100,000
Building Fund	505,000	Furniture	175,000
General Reserve	450,000	Investments	50,000
Income & Expenditure A/c	213,500	Library Books	125,000
		Land and Buildings	710,000
		Outstanding Tuition Fee	11,500
	1,171,500		1,171,500

On 31-3-2008 tuition fee outstanding was Rs. 16,500 and salaries outstanding for teaching staff were Rs. 15,000. Provide depreciation on Land and Buildings 2%, Furniture 10% and Library Books 10%. Science equipment is to be completely written off.

- [5] From the following particulars relating to Vivekanand Mission Charitable Hospital, Prepare Income and Expenditure Account for the year ended 31st March, 2008 and Balance Sheet as on that date:

RECEIPTS AND PAYMENTS ACCOUNT
For the year ending 31st March, 2008

Receipts	Rs.	Payments	Rs.
To Cash in hand on 1-4-2007	14,260	By Medicines	61,180
To Subscriptions	95,992	By Doctor's Honorarium	18,000
To Donations	29,000	By salaries	55,000
To Interest on Investment @ 7% for full year	14,000	By Petty Expenses	922
To Proceeds from Charity Show	20,900	By Equipment	30,000
		By Expenses on Charity Show	1,500
		By Cash in hand on 31-3-2008	7,550
	174,152		174,152

Additional Information:

	01-04-07 Rs.	31/3/2008 Rs.
(i) Subscriptions due	480	560
(ii) Subscriptions received in advance	128	200
(iii) Stock of medicines	17,620	19,480
(iv) Estimated value of equipments	42,400	63,200
(v) Building (cost less depreciation)	80,000	76,000
(vi) Creditors for Medicines	20,000	16,000

- [6] From the following trial balance of the Ahmedabad Education Society as at 31st March, 2008, Prepare an Income and Expenditure Account and a Balance Sheet:

	Rs.		Rs.
Buildings	190,000	Capital Fund	460,000
Furniture & Fixtures	52,500	Donations received towards Capital Fund	42,500
Additions to Furniture & Fixtures	10,000	Entrance Fees	10,000
Vehicles	40,000	Course Fees	240,000
Additions to Vehicles	10,000	Examinations Fees	15,000
Sundry Debtors	8,000	Rent received from letting of Auditorium	47,500
Sundry Creditors	5,000	Salaries	220,000
Investments	250,000	Printing and Stationery	30,000
Interest received on Investments	30,000	Scholarships awarded	5,000
Interest received on Scholarship Fund Investment	6,000	Scholarship Fund Reserve	440,000
Other Expenses	50,000	Government Grant received	44,000
Cash and Bank	4,500		
Scholarship Fund Investments	50,000		

Additional Information:

- 1 Depreciation is to be provided at 5% on buildings, 10% on furniture & fixtures and 20% on vehicles.
- 2 Auditorium rent received in advance to Rs.7,500 while there is also an amount of Rs. 10,000 outstanding under this head.
- 3 One month's salary is outstanding.

- [7] Students' Education Society supplied the following information:

INCOME AND EXPENDITURE ACCOUNT
For the year ending 31st March, 2008

Expenditure	Rs.	Income	Rs.
To Salaries	2,490	By Subscriptions	14,340
To Scholarships	12,390	By Government Grant	1,590
To Rent	840	By Proceeds of tickets for entertainment	2,490
To General Expenses	930	By Advertisements in Souvenir	1,530
To Audit Fees	180	By Interest on Bank FD (for full year @ 6% per annum)	450
To Printing Tickets and Souvenir	450		
To Cost of Entertainment	1,050		
To Loss on sale of furniture (Book value Rs.80,000)	-		
To Depreciation on Furniture	180		
To Surplus, i.e. Excess of income over expenditure	1,800		
	20,400		20,400

RECEIPTS AND PAYMENTS ACCOUNT
For the year ending 31st March, 2008

Receipts	Rs.	Payments	Rs.
To Balance b/f	1,140	By salaries	2,820
To Subscriptions	13,800	By Scholarships	12,030
To Government Grant	1,590	By Rent	780
To Sale of Tickets	2,490	By General Expenses	930
To Advertisements in Souvenir	1,380	By Printing of Tickets and Souvenir	360
To interest on bank FD	300	By Cost of Entertainment	1,050
To Sale of Furniture	150	By Furniture	600
		By Balance c/f	2,280
	20,850		20,850

On 31st March, 2007, subscriptions due were Rs.7,500, furniture on that date was Rs.1,800.
Prepare Balance Sheet as at 31st March, 2007 and 31st March, 2008.

- [8] R. M. School is a privately run educational institution. Its Balance Sheet as on 31st March, 2004 was as follows:

	Rs.		Rs.
Capital Fund	1,500,000	Land	600,000
Development Fund	750,000	School Buildings	1,125,000
Special Donation Fund	450,000	School Bus	600,000
General Fund	487,500	Furniture	150,000
Employee Super Annuation Fund	375,000	Laboratory Equipment	-
Outstanding Salaries (March 2005)	-	Science Lab	37,500
Teaching staff	112,500	Computer Lab	150,000
Non-teaching staff	60,000	Library Books	187,500
Outstanding Electricity Bill	15,000	Investment in Govt. Securities	600,000
	-	Tuition Fee Outstanding	45,000
	-	Cash at Bank	255,000
	3,750,000		3,750,000

RECEIPTS AND PAYMENTS ACCOUNT
For the year ending 31st March, 2008

Receipts	Rs.	Payments	Rs.
Opening Balance	255,000	Salaries	
Admission Fee	675,000	Teaching Staff	4,350,000
Tuition Fee	6,000,000	Non-teaching staff	750,000
Contribution to Special Donation Fund	225,000	Purchase of Library Books	75,000
Interest on Investments	56,250	Purchase of Science Lab Equipment	37,500
		Purchase of Computers	45,000
		Construction of New School Buildings	300,000
		Purchase of School Bus	450,000
		Purchase of Govt. Securities	375,000
		Education Tour Expenses	112,500
		Annual Function	75,000
		Building Maintenance Expenses	112,500
		Purchase of New Furniture	45,000
		Electricity	60,000
		Printing, Postage, Stationery and other	105,000
		Closing Balance	318,750
	7,211,250		7,211,250

The following further information is available:

(a)	Interest accrued but not received	Rs.7,500
(b)	The school has decided to charge depreciation as follows:	
	School buildings (excluding new construction)	5%
	School furniture (excluding new additions)	10%
	Lab equipment	
	Science Lab (old & new)	8%
	Computer Lab (old & new)	20%
	School Bus (excluding the one newly acquired during the year)	15%
	Library Books (old & new)	10%
(c)	Amount to be contributed to employee superannuation fund during the year	Rs.1,12,500
(d)	Outstanding expenses at the end of the year:	
	Staff salaries	
	Teaching Staff	Rs.60,000
	Non-teaching Staff	Rs.15,000
	Telephone Bill	Rs.1,500
(e)	Building Contractor's Bills outstanding as on 31st March, 2005	Rs.52,500
(f)	Tuition Fee receivable as on 31st March, 2005	Rs.37,500
(g)	Admission Fee includes Rs.1,87,500 representing collection towards development fund.	

You are required to prepare:

- (a) Income and Expenditure Account for the year ended 31st March, 2005; and
- (b) Balance Sheet as on that date.