



# ACCOUNTS

## BOOKS - ARYA ACCOUNTS (HINGLISH)

### Financial Statements of Not-for-Profit Organisations

#### Multiple Choice Questions

1. Receipts and Payments Account generally shows :

- A. A Debit balance
- B. A Credit Balance
- C. Surplus or Deficit
- D. Capital Fund

**Answer: A**



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**2. Income and Expenditure Account records transactions of :**

A. Revenue nature only

B. Capital nature only

C. Both revenue and capital nature

D. Income of only revenue nature and expenditure of revenue and capital nature.

**Answer: A**



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**3. Income and Expenditure Account reveals :**

A. Surplus or Deficiency

B. Cash in Hand

C. Net profit

D. Capital Account

**Answer: A**



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4. The amount of 'Subscription received from members' by a Non-profit organisation is shown in which of the following ?

A. Debit side of Income and Expenditure Account

B. Credit side of Income and Expenditure Account

C. Liability side of Balance Sheet

D. Assets side of Balance Sheet

**Answer: B**



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5. Donation received for a special purpose :

A. Should be credited to Income and Expenditure Account

B. Should be credited to separate account and shown in the Balance Sheet

C. Should be shown on the assets side

D. Should not be recorded at all.

**Answer: B**



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6. Subscription received by a school for organising annual function is treated as:

A. Capital Receipt (i.e., Liability)

B. Revenue Receipt (i.e., Income)

C. Asset

D. Earned Income

**Answer: A**



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7. The amount of 'Entrance Fees' received by a Non-profit organisation (if it is received regularly) is shown in which of the following?

A. A - Liability side of Balance Sheet

B. B - Assets side of Balance Sheet

C. C - Debit side of Income and Expenditure

Account



D. D - Credit side of Income and Expenditure

Account

**Answer: D**



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**8.** Out of following items. which one is shown in the Receipts and Payments Account?

A. Outstanding Salary

B. Depreciation

C. Life Membership Fees

D. Accrued Subscription

**Answer: C**



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**9. Not-for-profit organisations prepare :**

A. Trading Account

B. Trading & Profit and Loss Account

C. Income and Expenditure Account

D. All of the above

**Answer: C**



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**10.** The Receipts and Payments Account is a summary of :

debit and credit balance of ledger accounts

cash receipts and payments

expenses and incomes

assets and liabilities

A. Debit and Credit balance of Ledger

Accounts

B. Cash Receipts and Payments

C. Expenses and Incomes

D. Assets and Liabilities

**Answer: B**



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**11. Receipts and Payments Account is a :**

A. (a) Personal Account

B. (b) Real Account

C. (c) Nominal Account

D. (d) Real and Nominal Account, both

**Answer: B**



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**12. Income and Expenditure Account is a :**

A. Personal Account

B. Real Account

C. Nominal Account

D. Real and Nominal Account, both

**Answer: C**



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**13. Credit side balance in Income & Expenditure**

**Account reveals :**

A. (a) Excess of cash receipts over payments

B. (b) Excess of cash payments over receipts

C. (c) Excess of expenditure over income

D. (d) Excess of income over expenditure

**Answer: D**



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**14.** Source of income for a not-for-profit organisation is :

A. Subscription from Members

B. Donation

C. Entrance Fees

D. All of the above

**Answer: D**



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**15.** Which of the following represent capital receipt :

A. Life Membership Subscription



B. Donation

C. Subscription

D. Interest on Investments

**Answer: A**



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**16.** Amount received from sale of grass by a club

should be treated as:

capital receipt

revenue receipt

asset

earned income

A. Capital Receipt

B. Revenue Receipt

C. Asset

D. Earned Income

**Answer: B**



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17. The amount received for sale of old sports materials by a Non-profit organisation is shown in \_\_\_\_\_.

A. Debit side of Income and Expenditure Account

B. Liability side of Balance Sheet

C. Credit side of Income and Expenditure Account

D. Assets side of Balance Sheet

**Answer: C**



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**18.** If there is a 'Match Fund', then match expenses and incomes are transferred to:

A. Income and Expenditure A/c

B. Assets side of Balance Sheet

C. Liabilities side of Balance Sheet

D. Both Income and Expenditure A/c and to  
Balance Sheet

**Answer: C**



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**19.** Subscription received in advance during the current year is :

- A. (a) an income
- B. (b) an asset
- C. (c) a liability
- D. (d) none of these

**Answer: C**



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**20.** Subscription received in cash during the year amounted to Rs 40,000, subscription outstanding at the end of pervious year was Rs 1,500 and outstanding at the end of current year was Rs 2,000. Subscription received in advance for next year was Rs 800. The amount credited to Income & Expenditure Account will be:

A. Rs 38,700

B. Rs 39,700

C. Rs 40,300

D. Rs 41,300

**Answer: B**



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**21.** Subscription received in cash during the year amounted to Rs 5,00,000, subscription outstanding at the end of previous year was Rs 20,000 and outstanding at the end of current year was Rs 25,000. Subscription received in

advance for next year was Rs 8,000 and received in advance during previous year was Rs 7,000. The amount credited to Income & Expenditure Account will be :

A. Rs 5,04,000

B. Rs 5,06,000

C. Rs 4,96,000

D. Rs 4,94,000

**Answer: A**



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22. Subscription received in cash during the year amounted to Rs 60,000, subscription received in advance for next year was Rs 3,000 and received in advance during previous year was Rs 2,000. Subscription in arrear at the end of current year was Rs 5,400. The amount credited to Income & Expenditure Account will be :

A. Rs 53,600

B. Rs 66,400

C. Rs 55,600

D. Rs 64, 400

**Answer: D**



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**23.** Subscription received in cash during the year amounted to Rs 3,00,000, subscription received in advance for next year was Rs 10,000 and received in advance during previous year was Rs 8,000. Subscription in arrear at the end of previous year was Rs 18,000 and subscription in arrear at the end of current year was Rs

12,000. The amount credited to Income & Expenditure Account will be :

A. Rs 2,96,000

B. Rs 3,04,000

C. Rs 2,92,000

D. Rs 3,08,000

**Answer: C**



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**24.** What amount will be credited to the Income and Expenditure Account for the year ending 31st March, 2010 on the basis of the following information? :

	31-3-2009	31-3-2010
Outstanding Subscription	10,000	25,000
Advance Subscription	3,000	2,000

Subscriptions received during the year 2009-10 were Rs 4,00,000.

A. Rs 3,84,000

B. Rs 4,16,000

C. Rs 3,86,000

D. Rs 4,14,000

**Answer: B**



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**25.** There are 200 members, each paying an annual subscription of Rs 1,000, subscription received during the year Rs 1,95,000, subscriptions received in advance at the beginning of the year Rs 3,000 and at the end of the year Rs 2,000. Amount shown in Income & Expenditure Account will be :

A. Rs 2,00,000

B. Rs 1,96,000

C. Rs 1,94,000

D. Rs 2,01,000

**Answer: A**



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**26.** The opening balance of Prize Fund was Rs 32,800. During the year, donations received towards this fund amounted to Rs 15,400,

amount spent on prizes was Rs 12,300 and interest received on prize fund investment was Rs 4,000. The closing balance of Prize Fund will be :

A. Rs 56,500

B. Rs 64,500

C. Rs 39,900

D. Rs 31,900

**Answer: C**



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27. Salary paid in cash during the current year was Rs 80,000, Outstanding salary at the end was Rs 4,000, Salary paid in advance last year pertaining to the current year was Rs 3,200, paid in advance during current year for next year was Rs 5,000. The amount debited to Income and Expenditure Account will be :

A. Rs 85,800

B. Rs 77,800

C. Rs 82,200

D. Rs 74,200



**Answer: C**



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**28.** Salary paid in cash during the current year was Rs 30,000, Outstanding salary at the end of previous year was Rs 2,000 and outstanding salary at the end of current year was Rs 3,000. Salary paid in advance during current year for next year was Rs 2,600. The amount debited to Income and Expenditure Account will be :

A. Rs 33,600

B. Rs 26,400

C. Rs 31,600

D. Rs 28,400

**Answer: D**



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**29.** Salary paid for the year ended 31st March, 2010 amounted to Rs 75,000. How much amount will be recorded in Income and

Expenditure Account in the following case?

	31-3-2009	31-3-2010
Outstanding Salary	6,500	6,000
Prepaid Salary	1,200	1,000

A. Rs 75,700

B. Rs 74,300

C. Rs 75,300

D. Rs 74,700

**Answer: D**



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**30.** How much amount will be shown in Income and Expenditure Account in the following case?

	1-4-2009	31-3-2010
Creditors for Stationery	8,000	6,000
Stock of Stationery	3,000	3,200

During 2009-10 payment made for Stationery was Rs 60,000.

A. Rs 57,800

B. Rs 62,200

C. Rs 61,800

D. Rs 58,200

**Answer: A**



**View Text Solution**

**31.** How much amount will be shown in Income and Expenditure Account in the following case?

:

	31-3-2009	31-3-2010
Unpaid for Medicines	10,000	12,000
Stock of Medicines	8,000	13,000

Payment made for medicines during 2009-10 was Rs 2,50,000.

**A. Rs 2,53,000**

B. Rs 2,47,000

C. Rs 2,57,000

D. Rs 2,43,000

**Answer: B**



**View Text Solution**

**32.** If a General Donation of huge amount is received by a school, that donation is treated as :

A. Revenue Receipt (Income)

B. Capital Receipt (Liability)

C. Assets

D. Earned Income

**Answer: B**



**View Text Solution**

**33.** If a general donation of smaller amount is received by a school, that donation will be shown in :

A. Liability side

B. Asset Side

C. Debit side of Receipt and Payment A/c

D. Credit side of Receipt and Payment A/c

**Answer: C**



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**34.** Out of the following items, which one is shown in the 'Receipts and Payments Account' of a not for profit organisation?



A. Accrued subscription

B. Outstanding salary

C. Depreciation

D. None of these

**Answer: D**



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**35.** Out of the following items, which is shown in the 'Receipts and Payments A/c' of a not for profit organisation?

A. Subscription received in advance

B. Subscription due

C. Last year subscription received

D. All of the above

**Answer: B**



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**36.** Out of the following items, which is shown in the 'Receipts and Payments A/c' of a not for profit organisation?

A. Subscription received in advance

B. Last year subscription received

C. Current year subscription received

D. All of the above

**Answer: D**



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