

Illustration 28.

From the following Receipts and Payments Account of Friends Club for the year ended 31st March, 2019, prepare Income and Expenditure Account for the year ended 31st March, 2019 and Balance Sheet as at that date:

Dr. RECEIPTS AND PAYMENTS ACCOUNT for the year ended 31st March, 2019 Cr.

Receipts	₹	Payments	₹
To Balance b/d (Cash in Hand)	1,41,300	By Rent and Taxes	86,100
To Entrance Fees	55,200	By Salaries	1,09,000
To Subscriptions	2,20,000	By Electricity Charges	6,200
To General Donations	56,100	By General Expenses	12,500
To Legacy Donation	50,000	By Books	31,200
To Interest	4,100	By Office Expenses	45,000
To Surplus from Cultural Programme	8,200	By Investments	1,40,000
		By Balance c/d:	
		Cash at Bank	61,900
		Cash in Hand	43,000
	5,34,900		5,34,900

Additional Information:

- (i) In the beginning of the year, the club had Books of ₹ 3,00,000 and Furniture of ₹ 58,000.
- (ii) Subscriptions in Arrears on 1st April, 2018 were ₹ 6,000 and ₹ 7,000 on 31st March, 2019.
- (iii) ₹ 18,000 was due by way of Rent in the beginning as well as at the end of the year.
- (iv) Write off ₹ 5,000 from Furniture and ₹ 30,000 from Books.

INCOME AND EXPENDITURE ACCOUNT *(For the ending year 31st march ,2019)*

EXPENDITURE	AMOUNT	INCOME	AMOUNT
To Rent and Taxes	86100	By Subscription:	220000
Add: Outstanding (CL)	18000	Add: Outstanding (CL)	7000
	104100		227000
Less: Outstanding (OP)	18000	Less: Outstanding (OP)	6000
To Salaries	109000	By Entrance Fees	55200
To Electricity Charges	6200	By General Donation	56100
To General Expenses	12500	By Legacy Donation	50000
To Office Expenses	45000	By Interest	4100
To Depreciation on Books	30000	By Surplus from cultural programme	8200
Furniture	5000		
	35000		
To Surplus (Excess of income over expenditure)	100800		
	394600		394600

Total of Credit – Total of Debit = Surplus (3946600- 293800= 100800)

BALANCE SHEET (as at 31st March 2019)

Liabilities		Amount	Assets		Amount
Capital Fund	487300	588100	Cash in hand		43000
Add: Surplus	100800		Cash at Bank		61900
Rent Outstanding		18000	Investment		140000
			Books :	300000	
			Addition	31200	
				331200	
			Less: Depreciation	30000	301200
			Furniture	58000	
			Less: Depreciation	5000	53000
				7000	
			Subscription Outstanding		7000
		606100			606100

Calculation Of Opening Capital Fund

Cash in hand 141300 + Subscription O/S 6000 + Books 300000 + Furniture 58000 =
505300 – O/S Rent 18000 = 487300