

TOPIC: AVERAGE DUE DATE

Question 1

A merchant trader having accepted the following several bills falling due on different dates, now desires to have these bills cancelled and to accept a new bill for the whole amount payable on the average due date:

Sl. No.	Date of Bills	Amount (₹)	Usance of the bill
1	1 st May, 2017	500	2 months
2	10 th May, 2017	300	3 months
3	5 th June, 2017	400	2 months
4	25 th June, 2017	375	1 month
5	10 th July, 2017	500	2 months

You are required to find the said average due date.

Any fraction of a day arising from the calculation to be considered as full day.

Question 2

Harish has the following bills due on different dates. It was agreed to settle the total amount due by a single cheque payment. Find the date of the cheque.

- (i) ₹ 5,000 due on 5.3.2017
- (ii) ₹ 7,500 due on 7.4.2017
- (iii) ₹ 6,000 due on 17.7.2017
- (iv) ₹ 8,000 due on 14.9.2017

TOPIC: ACCOUNT CURRENT

Question 1

The following are the transactions that took place between Rohan & Sunil during the half year ended 30th June, 2017:

		₹
i	Balance due to Rohan by Sunil on 1 January, 2017	3,010
ii	Goods sold by Rohan to Sunil on 7 January, 2017	4,430
iii	Goods purchased by Rohan from Sunil on 16 February, 2017	6,480
iv	Goods returned by Rohan to Sunil on 18 February, 2017 (out of the purchases of 16 February, 2017)	560
v	Goods sold by Sunil to Rohan on 24 th March, 2017	3,560
vi	Bill accepted by Rohan at 3 months on 22 nd April, 2017	1,500
vii	Cash paid by Rohan to Sunil on 29 th April, 2017	2,500
viii	Goods sold by Rohan to Sunil on 17 th May, 2017	2,710
ix	Goods sold by Sunil to Rohan on 22 nd June, 2017	2,280

Draw up an account current to be rendered by Sunil to Rohan charging interest @ 10% per annum.

Question 2

From the following transactions in the books of Mr. Perfect, prepare an Account Current, by means of product to be sent by him to Mr. Smart for the quarter ending 31st March, 2016. Interest is to be charged and/or allowed @ 12% p.a.

2016		₹
January 1	Balance in Smart's Account (Credit)	3,500
January 12	Sold goods to Smart (due 1st February)	30,000
January 31	Sold goods to Smart (due 15th February)	27,500
February 15	Cash received	40,000
February 20	Cash received	7,500
March 10	Goods returned by Smart	7,000
March 25	Cash received	6,500

TOPIC: FINANCIAL STATEMENTS OF NOT-FOR-PROFIT ORGANIZATIONS

Question 1

Following information has been given for Bharat Sports Club, Delhi for the year ending 31.12.2016 and 31.12.2017.

	31.12.2016	31.12.2017
Building (subject to 10% depreciation for the current year)	60,000	?
Furniture (subject to 10% depreciation for the current year)	-	20,000
Stock of Sports Materials	5,000	2,000
Prepaid Insurance	3,000	6,000
Subscription receivable	12,000	8,000
Advance Subscription	6,000	4,000
Locker Rent receivable	-	6,000
Advance Locker Rent received	-	2,000
Outstanding Rent for Godown	6,000	3,000
12% General Fund Investments	2,00,000	2,00,000
Accrued Interest on above	-	4,000
Cash Balance	1,000	64,000
Bank Balance	2,000	-
Bank Overdraft	-	2,000

Additional Information:

- (i) Entrance fees received ₹ 20,000, Life membership fees received ₹ 20,000 during the year.
- (ii) Surplus from Income and Expenditure Account ₹ 60,000.
- (iii) It is the policy of the club to treat 60% of entrance fees and 40% of life membership fees as revenue nature.
- (iv) The furniture was purchased on 01.01.2017.

Prepare Opening and Closing Balance Sheet of Bharat Sports Club as on 31st December, 2016 and 31st December, 2017 respectively.

Question 2

Elite Club (not registered under the Companies Act, 2013) has 200 members with an annual subscription of ₹ 3,600 payable by every member. An analysis of subscriptions received by the club during the accounting year ended on 31st March, 2015 revealed the following:

	₹
For the year 2013-14	25,200
For the year 2014-15	6,98,400
For the year 2015-16	<u>7,200</u>
	7,30,800

On 31st March, 2015 it was noted that a sum of ₹ 3,600 was still in arrears for the year ended 31st March, 2014. Calculate the amount of subscriptions that will appear on the credit side of the Club's Income and Expenditure Account for the year ended 31st March, 2015. Also show how items relating to subscriptions will appear in the Balance Sheet dated 31st March, 2015.

Question 3

The following is the Income and Expenditure Account of Gama Club for the year ended 31st March, 2017:

Income and Expenditure Account for the year ended 31st March, 2017

	₹		₹
To Salaries	19,500	By Subscription	68,000
To Rent	4,500	By Donation	5,000
To Printing	750		
To Insurance	500		
To Audit Fees	750		
To Games & Sports	3,500		
To Subscriptions written off	350		
To Miscellaneous Expenses	14,500		
To Loss on sale of furniture	2,500		
To Depreciation:			
Sports Equipment	6,000		
Furniture	3,100		
To Excess of income over expenditure	17,050		
	73,000		73,000

Additional information:

	31-3-2016	31-3-2017
	₹	₹
Subscriptions in arrears	2,600	3,700
Advance Subscriptions	1,000	1,500
Outstanding expenses:		
Rent	500	800
Salaries	1,200	350
Audit Fee	500	750
Sports Equipment less depreciation	25,000	24,000
Furniture less depreciation	30,000	27,900
Prepaid Insurance	-	150

Book value of furniture sold is ₹ 7,000. Entrance fees capitalized ₹ 4,000. On 1st April, 2016 there was no cash in hand but Bank Overdraft was for ₹ 15,000. On 31st March, 2017. Cash in hand amounted to ₹ 850 and the rest was Bank balance.

Prepare the Receipts and Payments Account of the Club for the year ended 31st March, 2017.