



Padasalai's Telegram Groups!

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K V MATRIC. HR . SEC. SCHOOL, KURUMBAPALAYAM, COIMBATORE-641 107.**2. ACCOUNTS OF NOT FOR PROFIT ORGANISATION**

12th Standard

ACCOUNTANCY - EM

ANSWER ALL :**MULTIPLE CHOICE QUESTIONS**

- 1) Receipts and payments account is a
(a) Nominal A/c (b) Real A/c (c) Personal A/c (d) Representative personal account
- 2) Receipts and payments account records receipts and payments of
(a) Revenue nature only (b) Capital nature only (c) Both revenue and capital nature (d) None of the above
- 3) Balance of receipts and payments account indicates the
(a) Loss incurred during the period (b) Excess of income over expenditure of the period (c) Total cash payments during the period (d) Cash and bank balance as on the date
- 4) Income and expenditure account is a
(a) Nominal A/c (b) Real A/c (c) Personal A/c (d) Representative personal account
- 5) Income and Expenditure Account is prepared to find out
(a) Profit or loss (b) Cash and bank balance (c) Surplus or deficit (d) Financial position
- 6) Which of the following should not be recorded in the income and expenditure account?
(a) Sale of old news papers (b) Loss on sale of asset (c) Honorarium paid to the secretary (d) Sale proceeds of furniture
- 7) Subscription due but not received for the current year is
(a) An asset (b) A liability (c) An expense (d) An item to be ignored
- 8) Legacy is a
(a) Revenue expenditure (b) Capital expenditure (c) Revenue receipt (d) Capital receipt
- 9) Donations received for a specific purpose is
(a) Revenue receipt (b) Capital receipt (c) Revenue expenditure (d) Capital expenditure
- 10) There are 500 members in a club each paying Rs.100 as annual subscription. Subscription due but not received for the current year is Rs.200; Subscription received in advance is Rs.300. Find out the amount of subscription to be shown in the income and expenditure account
(a) Rs.50,000 (b) Rs.50,200 (c) Rs.49,900 (d) Rs.49,800
- 11) Which of the following is to be recorded in an income and expenditure account?
(a) Purchase of a fixed asset (b) Capital expenditure incurred on a fixed asset (c) Profit on the sale of a fixed asset (d) Sale of a fixed asset
- 12) Subscription received but not yet earned is considered as a/an
(a) Asset (b) Liability (c) Income (d) Expenditure
- 13) Rs.10,000 received as to annual membership subscription. Out of this Rs.2,000 is pertaining to the previous accounting period whereas Rs.1000 is receivable at the end of the current accounting period. Calculate the amount of subscription that will be shown in the income and expenditure account for this accounting.
(a) Rs.10,000 (b) Rs.9,000 (c) Rs.12,000 (d) Rs.8,000
- 14) Income and Expenditure accounts show
(a) cash available to an organization (b) closing capital of an organization (c) cash available in the bank account (d) surplus or deficit for the current accounting period.
- 15) On what basis the receipts and payments account is prepared?
(a) Cash basis (b) Credit basis (c) Both (d) None of these

- 16) The amount or property received by a non - profit organization as stated by the will of a deceased person is commonly referred to as
 (a) Donation (b) Honorarium (c) Legacy (d) Endowment
- 17) In non - profit organization, the sale of old newspapers is generally considered as a/an
 (a) Revenue receipt (b) Expenditure (c) Income (d) Capital receipt
- 18) Some organisations are established for the purpose of rendering services to the public without
 (a) any profit motive (b) any service motive (c) both (d) none of these
- 19) Charitable institutions and educational institutions are the examples of
 (a) profit organisation (b) not-for-profit organisation (c) both (d) none of these
- 20) Which of the following is generally considered as a non profit organisation?
 (a) Charitable organisation (b) Corporation (c) Audit firms (d) Insurance companies
- 21) The receipts and payments account of a nonprofit organisation is a
 (a) Nominal account (b) Real account (c) Income statement account (d) Financial statement
- 22) Non- profit organizations prepare all of the following accounts except the
 (a) Receipts and Payments accounts (b) Income and Expenditure accounts (c) Balance sheet (d) Income statement
- 23) Expenditures greater than incomes of a nonprofit organization give rise to a
 (a) Loss (b) Profit (c) Surplus (d) Deficit
- 24) Rent expenses of a non-profit organization paid in advance. Which of the following is the correct classification of rent
 (a) Expense (b) Liabilities (c) Equity (d) Asset
- 25) Receipts and Payment accounts is a _____ account in nature.
 (a) real (b) personal (c) nominal (d) all of these
- 26) _____ items will be recorded in income and expenditure account
 (a) Capital (b) Nominal (c) Expense (d) Revenue
- 27) _____ items will be recorded in the balance sheet
 (a) Revenue (b) Capital (c) Expense (d) None of these
- 28) _____ are the amounts received by not-for-profit organisations as a gift
 (a) Legacy (b) Donations (c) Subscription (d) Entrance fee
- 29) A gift made to a not-for-profit organization by a will, is called _____
 (a) Subscription (b) Life membership fee (c) Legacy (d) Donations
- 30) _____ is a fee collection from every member only once at the time of his or her admission into the organisation.
 (a) Entrance fee (b) Legacy (c) Donations (d) None of these
- 31) _____ is the remuneration paid to a person who is not a regular employee of the organization
 (a) Purchase of sports materials (b) Purchase of sports equipment (c) Honorarium (d) Legacy
- 32) _____ is a revenue expenditure
 (a) Specific donation (b) Honorarium (c) Legacy (d) Interest on investment
- 33) _____ is prepared to find out the surplus or deficit pertaining to a particular year.
 (a) Income and Expenditure account (b) Receipts and Payment account (c) Trading and Profit and loss account (d) Balance sheet

34)

List I	List II
(i) Subscription	1. Balls, bats
(ii) Investments	2. Time of admission
(iii) Old sports materials	3. Receive interest
(iv) Admission fee	4. Tennis or billiards

(a)

(i)(ii)(iii)(iv)

(b)

(i)(ii)(iii)(iv)

(c)

(i)(ii)(iii)(iv)

(d)

(i)(ii)(iii)(iv)

35)

1	2	3	4
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4	3	1	2
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2	3	4	1
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2	3	4	1
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List I	List II
(i) Subscription	1. Revenue expenditure
(ii) Life membership fee	2. Capital expenditure
(iii) Honorarium	3. Capital receipts
(iv) Purchase of sports equipment	4. Revenue receipts

(a)

(i)	(ii)	(iii)	(iv)
1	2	3	4

 (b)

(i)	(ii)	(iii)	(iv)
2	3	4	1

 (c)

(i)	(ii)	(iii)	(iv)
1	4	2	1

 (d)

(i)	(ii)	(iii)	(iv)
4	3	1	2

FIND ODD ONE OUT :

- 36) (a) Entrance fess
(b) Salaries
(c) Postage 2.
(d) Telephone char
- 37) (a) Entrance fees
(b) Subscription
(c) Legacies
(d) Divided
- 38) **Assertion (A) :** The receipts and payments account begins with tile ""opening balances of cash and bank and ends with closing balances of cash and bank.
Reason (R) : Non-cash items such as depreciation, outstanding expenses and accrued income are shown in receipts and payments account.
(a) Both (A) and (R) are true, and (R) is the correct explanation of (A)
(b) Both (A) and (R) are true, and (R) is not the correct explanation of (A)
(c) (A) is true but (R) is false
(d) (A) is false but (R) is true
- 39) **Assertion (A) :** Life membership fee is nonrecurring in nature.
Reason (R) . Admission fee is a fee collected from every member only once at the time of his or her Admission into the organization.
(a) Both (A) and (R) are true and (R) is the correct explanation of (A)
(b) Both (A) and (R) are true and (R) is not the correct explanation of (A)
(c) (A) is true but (R) is false.
(d) (A) is false but (R) is true.

FIND CORRECT STATEMENT:

2 x 1 = 2

- 40) (i) Specific fund is to be shown on the liabilities side and specific fund investments account is to be shown on the assets side of the balance sheet.
(ii) Incomes and expenses relating to the specific fund account should not be recorded in income and expenditure account.
(iii) Balance sheet is a statement showing the financial position of an organisation.
(a) (i) is correct
(b) (ii) is correct
(c) (i) and (ii) are correct
(d) (i), (ii) and (iii) are correct

- 41) (i) Capital fund also called as general fund or accumulated fund is taken to the assets side.
 (ii) The total of debit balances will be equal to the total of credit balances.
 (iii) Revenues, gains and liabilities will have credit balance.
 (a) (i) is correct
 (b) (ii) and (iii) are correct
 (c) (ii) is correct
 (d) (i), (ii) and (iii) are correct

FIND OUT THE WRONG PAIR:

- 42) (a) Not-for-profit organisation - Educational institutions
 (b) Receipts and payment accounts - Real account
 (c) Income and expenditure account - Indian companies Act 2013
 (d) Balance sheet - Schedule IV
- 43) (a) Subscription - Revenue receipts
 (b) Dividend - Revenue payments
 (c) Legacies - Capital receipts
 (d) Rent paid - Revenue payments

CHOOSE THE CORRECT PAIR :

- 44) (a) Entrance fees - Capital payments
 (b) Sale of fixed assets - Revenue receipts
 (c) Entertainment expenses - Revenue payments
 (d) Investment - Capital receipts
- 45) (a) Charities - Income Account
 (b) Stationary - Income account
 (c) depreciation - Expenditure Account
 (d) Grant received - Expenditure Account

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