

NOT FOR PROFIT ORGANISATION

Solution 1

Particulars	Amount
Subscription received during the year	42,000
Add: Closing Outstanding	3,000
Less: Opening Outstanding (Received for last year)	(1,600)
Less: Closing Pre-received (Received for next year)	(600)
Transferred to credit side of Income & Expenditure A/c	42,800

Solution 2

Subscription A/c

Date	Particulars	Amount	Date	Particulars	Amount
01.04.2022	To Subscription Outstanding	20,000	01.04.2022	By Subscription in Advance	18,000
2022-23	To Income & Expenditure A/c (Bal. Fig.)	4,37,000	2022-23	By Cash/Bank A/c (Receipts & Payment)	4,50,000
31.03.2023	To Subscription in Advance	26,000	31.03.2023	By Subscription Outstanding	15,000
		4,83,000			4,83,000

Solution 3

Subscription A/c

Date	Particulars	Amount	Date	Particulars	Amount
01.04.2022	To Subscription Outstanding	45,000	01.04.2022	By Subscription in Advance	30,000
2022-23	To Income & Expenditure A/c (350*1050)	3,67,500	2022-23	By Cash/Bank A/c (Receipts & Payment)	4,10,000
31.03.2023	To Subscription in Advance	62,000	31.03.2023	By Subscription Outstanding (Bal. Fig.)	34,500
		4,74,500			4,74,500

Solution 4

Particulars		Amount
Subscription for the year	500 x 1,000	5,00,000
Less: Closing Outstanding	40 x 1,000	(40,000)
Add: Closing pre-received	70 x 1,000	70,000
Cash receipts of Annual fee		5,30,000

Solution 5

Income & Expenditure A/c

Expenditure	₹	Income	₹
		By Subscription (500 x 1,500)	7,50,000

Balance Sheet (31st March, 2022)

Liabilities	₹	Assets	₹
Pre-received subscription	-	O/s subscription (15,000 + 12,000)	27,000

Balance Sheet (31st March, 2023)

Liabilities	₹	Assets	₹
Pre-received subscription	18,000	O/s subscription For 2021 – 2022 15,000 For 2022 – 2023 1,35,000	1,50,000

Note:

Particulars		Amount
Subscription for the year	500 x 1,500	7,50,000
Less Received during the year for 2022 - 2023		(6,15,000)
Outstanding for the year 2022 - 2023		1,35,000

Solution 6

Income & Expenditure A/c

Expenditure	₹	Income	₹
		By Subscription	28,000

Balance Sheet (31st March, 2023)

Liabilities	₹	Assets	₹
Pre-received subscription	5,000	O/s subscription (1,000 + 3,000)	4,000

Note:-

Option:1

Calculation of Income from Subscription

Particulars	Amount
Subscription received for the year	20,000
Add: Outstanding on 31.3.2023 for 2022-23 (4,000- 1,000)	3,000
Add: Received in advance last year for 2022-23	5,000
Subscription Income for 2022-23	28,000

Option:2

Calculation of Income from Subscription

Particulars	Amount
Total Subscription received during the year	29,000
Add: Outstanding on 31.3.2023	4,000
Less: Outstanding on 31.3.2022	(5,000)
Add: Received in advance on 31.3.2022	5,000
Less: Received in advance on 31.3.2023	(5,000)
Subscription Income for 2022-23	28,000

Solution 7

Salaries A/c

Date	Particulars	Amount	Date	Particulars	Amount
01.04.22	To Prepaid Salary A/c	400	01.04.22	By O/s Salary A/c	1,400
	To Cash & Bank A/c	23,000		By Income & Exp. A/c	23,200
31.03.23	To O/s Salary A/c	1,800	31.03.23	By Prepaid Salary A/c	600
		25,200			25,200

Prepaid Salary A/c

Date	Particulars	Amount	Date	Particulars	Amount
01.04.22	To Balance b/d	400	01.04.22	By Salaries A/c	400
31.03.23	To Salaries A/c	600	31.03.23	By Balance c/d	600
		1,000			1,000

O/s Salary A/c

Date	Particulars	Amount	Date	Particulars	Amount
01.04.22	To Salaries A/c	1,400	01.04.22	By Balance b/d	1,400
31.03.23	To Balance c/d	1,800	31.03.23	By Salaries A/c	1,800
		3,200			3,200

Receipts & Payments

Receipts	Amount	Payments	Amount
		By Salaries	23,000

Income & Expenditure

Expenditure	Amount	Income	Amount
To Salaries	23,200		

Balance Sheet

Liabilities	31.03.22	31.03.23	Assets	31.03.22	31.03.23
O/s Salary	1,400	1,800	Prepaid Salary	400	600

Solution 8

Balance Sheet as at 31.03.23 (Extract)

Liabilities	₹	Assets	₹
<u>Match Fund:</u>			
Opening	30,000		
Add: Donation for Match fund	55,000		
Add: Proceeds from sale of tickets	20,000		
Less: Match Expenses (W.N.-1)	(1,05,000)		
	Nil		

Note: Since the expenses incurred are more than the Match fund available 105,000 we are limiting the expenses to 1,05,000. The remaining expenses of 5000 (1,10,000-1,05,000) will be debited to the Income and expenditure account.

Solution 9

Income and Expenditure account for the year ended 31-03-2023

Expenditure	Amount	Income	Amount
To Salaries & Wages 1,65,000		By Subscriptions 4,20,000	
Add: Outstanding <u>40,000</u>	2,05,000	Add: Closing O/s 55,000	
To Office Expenses	35,000	Less: Opening O/s <u>(65,000)</u>	4,10,000
To Depreciation on Sports Equipment (3,42,000*25%)	85,500	By Donations	55,000
To Telephone charges	28,000	By Entrance Fees (85,000*50%)	42,500
To Electricity charges	32,000		
To Travelling & conveyance	65,000		
To Surplus	57,000		
	5,07,500		5,07,500

Note: It has been assumed that donations of 55,000 are revenue in nature

Solution 10
Balance Sheet as at 31st March, 2022

Liabilities	₹	Assets	₹
Capital Fund (Bal. Fig.)	47,000	Furniture	9,600
O/s Salaries	710	Fixed Deposit	20,000
O/s Rent & Electricity	864	Library Books	5,000
O/s Magazines	226	Subscription receivable	1,263
		Cash & Bank	4,820
		Accrued Interest	500
		Prepaid Expenses	417
		Sports Equipments	7,200
	48,800		48,800

Income & Expenditure A/c for the year ended 31st March, 2023

Expenditure	₹	Income	₹
To Salaries	11,460	By Subscriptions	28,912
To Rent & Electricity	7,329	By Miscellaneous Income	700
To Depreciation		By Interest	2,000
Library Books 750		By Deficit (Bal. Fig.)	2,888
Furniture 960			
Sports Equipment 1,640	3,350		
To Magazine, etc.	2,286		
To Sundry Expenses	10,075		
	34,500		34,500

Balance Sheet as at 31st March, 2023

Liabilities	₹	Assets	₹
O/s Rent & Electricity	973	Furniture	8,640
O/s Salaries	170	Fixed Deposit	20,000
O/s Magazines	340	Library Books	5,250
Capital fund 47,000		Subscriptions Receivable	1,575
(-) Deficit (2,888)	44,112	O/s Interest	500
		Prepaid Expenses	620
		Sports Equipments	6,560
		Cash & Bank	2,450
	45,595		45,595

Working Notes:

1. Computation of Subscriptions to be transferred to Income & Expenditure A/c:

Subscriptions Received	28,600
(+) Subscriptions Receivable (31/3/2023)	1,575
(-) Subscriptions Receivable (31/3/2022)	(1,263)
	28,912

2. Interest

Interest Received	2,000
(+) O/s Interest (31/3/2023)	500
(-) O/s Interest (31/3/2022)	(500)
	2,000

3. Salaries

Salaries paid	12,000
(+) O/s Salaries (31/3/2023)	170
(-) O/s Salaries (31/3/2022)	(710)
	11,460

4. Rent & Electricity

Paid	7,220
(+) O/s at 31/3/2023	973
(-) O/s at 31/3/2022	(864)
	7,329

5. Sundry Expenses

Paid	10,278
(-) Prepaid at 31/3/2023	(620)
(+) Prepaid at 31/3/2022	417
	10,075

6. Magazines & Newspapers

Paid	2,172
(+) O/s at 31/3/2023	340
(-) O/s at 31/3/2022	(226)
	2,286

7. Library Books A/c

Particulars	₹	Particulars	₹
To Balance b/d	5,000	By Depreciation (Bal.fig.)	750
To Cash A/c	1,000	By Balance c/d	5,250
	6,000		6,000

8. Sports Equipment

Particulars	₹	Particulars	₹
To Balance b/d	7,200	By Depreciation (8,200*20%)	1,640
To Cash A/c	1,000	By Balance c/d	6,560
	8,200		8,200

Solution 11

Income & Expenditure Account

Expenditure	Amount	Income	Amount
To Salaries	2,08,000	By Subscription (450 x 5,000)	2,25,000
To Stationery consumed (5,000 + 40,000 - 9,000)	36,000	By Profit on sports meet	1,55,000
To Telephone expenses (10,000 + 3,500)	13,500	By Income from Investment (1,00,000 + 3,750)	1,03,750
To Rent	60,000		
To Sundry Expenses (92,500 - 7,000)	85,500		
To Depreciation on Building	50,000		
To Surplus (Bal. Fig.)	30,750		
	4,83,750		4,83,750

Closing Balance Sheet (As at 31.03.2023)

Liabilities	Amount	Assets	Amount
Pre-received subscription	7,500	Stationery stock	9,000
O/s Telephone bill	3,500	Building	9,50,000
Capital Fund 31,05,500		O/s Subscription	14,500
Add: Surplus 30,750	31,36,250	(500 Last year+14,000 Current year)	
		Investment (20,00,000 + 1,25,000)	21,25,000
		Accrued Interest on Investment	3,750
		Cash & Bank	45,000
	31,47,250		31,47,250

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Working Note:**Opening Balance Sheet (As at 31.03.2022)**

Liabilities	Amount	Assets	Amount
O/s Sundry expenses	7,000	Cash	1,02,500
Capital Fund (Bal. Fig.)	31,05,500	O/s subscription	5,000
		Stock of stationery	5,000
		Building	10,00,000
		Investments	20,00,000
	31,12,500		31,12,500

Solution 12**In the books of AMA society****Income and Expenditure Account for the year ending 31st March, 2023**

Expenditure	₹	Income	₹
To Medicine	2,90,000	By Subscription	5,12,000
To Honorarium	1,00,000	By Donation	1,50,000
To Salaries	2,80,000	By Interest on investment	90,000
To Sundry expenses	10,000	By Charity show	1,25,000
To Depreciation		Less: Charity show expenses	(15,000)
-Equipment	60,000		
-Building	20,000		
To Surplus	1,02,000		
	8,62,000		8,62,000

Balance Sheet of AMA society as on 31st March, 2023

Liabilities	₹	Assets	₹
Capital Fund:		Equipments	2,10,000
Opening balance	18,03,000	Add: Purchases.	1,50,000
Add: Surplus	1,02,000	Less: dep. (bal. fig)	(60,000)
Adv. subscription	7,000	Building	5,00,000
Creditors (medicine)	1,30,000	Less: dep. (bal. fig)	(20,000)
		Investment	(₹ 90,000/9%)
		Closing outstanding subscription	22,000
		Closing stock(medicine)	1,50,000
		Cash	90,000
	20,42,000		20,42,000

Working Note:**(i) Subscription for the year ended 31st March, 2023**

Particulars	Amount
Subscription Received during the year	5,00,000
Less: Subscription outstanding as on 1" April, 2022	(15,000)
Add: Subscription outstanding as on 31" March, 2023	22,000
Add: Subscription received in advance as on 1" April, 2022	12,000
Less: Subscription received in advance as on 31" March, 2023	(7,000)
Total	5,12,000

(ii) Medicines purchased during the year ended 31st March, 2023

Particulars	Amount
Opening due for medical supply	90,000
Less: Payment made during the year	(3,00,000)
Less: Closing due for medical supply	(1,30,000)
Medicines purchased during the year	3,40,000

(iii) Medicines consumed during the year ended 31st March, 2023

Particulars	Amount
Opening stock	1,00,000
Add: Purchase during the year	3,40,000
Less: Closing Stock	(1,50,000)
Medicines consumed during the year	<u>2,90,000</u>

(iv) Depreciation on Equipment

Particulars	Amount
Opening Balance	2,10,000
Add: Purchase during the year	1,50,000
Less: Closing Balance	(3,00,000)
Depreciation for the year	<u>60,000</u>

Solution 13

**Income and Expenditure Account of Pune Medical Aid Society
for the year ended 31st December, 2022**

Expenditure		₹	Income		₹
To Medicine consumed		34,750	By Subscription		66,000
To Honorarium to doctors		15,000	By Donation		25,000
To Salaries		36,000	By Int. on investments		10,000
To Sundry expenses		950	By Profit on charity show		
To Depreciation on			Show collections	16,500	
Equipment	9,300		Less: Show expenses	(2,750)	13,750
Building	<u>3,250</u>	12,550			
To Surplus-excess of Income over Expenditure		<u>15,500</u>			
		<u>1,14,750</u>			<u>1,14,750</u>

Balance Sheet of Pune Medical Aid Society as on 31st December, 2022

Liabilities	₹	₹	Assets	₹	₹
Capital fund:			Building	65,000	
Opening balance	1,99,700		Less: Depreciation	(3,250)	61,750
Add: Surplus	<u>15,500</u>	2,15,200	Equipment	21,500	
Subscription received in advance		1,400	Add: Purchase	<u>25,000</u>	
Amount due for medicine supply		16,500		46,500	
			Less: Depreciation	(9,300)	37,200
			Stock of medicine		17,250
			Investments		1,00,000
			Subscription receivable		3,100
			Cash in hand		13,800
		<u>2,33,100</u>			<u>2,33,100</u>

Working Notes: 1.

Subscription for the year ended 31st December, 2022:	₹	₹
Subscription received during the year		65,000
Less: Subscription receivable on 1.1.2022	2,500	
Less: Subscription received in advance on 31.12.2022	<u>1,400</u>	(3,900)
Add: Subscription receivable on 31.12.2022	3,100	
Add: Subscription received in advance on 1.1.2022	<u>1,800</u>	4,900
		<u>66,000</u>

2. Purchase of medicine:		
Payment for medicine supply		35,000
Less: Amounts due for medicine supply on 1.1.2022		(12,000)
		23,000
Add: Amounts due for medicine supply on 31.12.2022		16,500
		39,500
3. Medicine consumed:		
Stock of medicine on 1.1.2022		12,500
Add: Purchase of medicine during the year		39,500
		52,000
Less: Stock of medicine on 31.12.2022		(17,250)
		34,750
4. Depreciation on equipment:		
Value of equipment on 1.1.2022		21,500
Add: Purchase of equipment during the year		25,000
		46,500
Less: Value of equipment on 31.12.2022		(37,200)
Depreciation on equipment for the year		9,300

Balance Sheet of Pune Aid Society as on 1st January, 2022

Liabilities	₹	Assets	₹
Capital fund (balancing figure)	1,99,700	Building	65,000
Subscription received in advance	1,800	Equipment	21,500
Amount due for medicine supply	12,000	Stock of medicine	12,500
		Investments (₹ 10,000 x 100/10)	1,00,000
		Subscription receivable	2,500
		Cash in hand	12,000
	2,13,500		2,13,500

Solution 14

Income & Expenditure A/c

Expenditure	₹	Income	₹
To Electricity charges	7,200	By Entrance Fee A/c (WN 1)	7,500
To Postage & Stationery	5,000	By Membership subscription(WN 2)	1,90,000
To Telephone Charges	5,000	By Sale proceeds of old newspapers	1,500
To Depreciation		By Hire of Lecture Hall	20,000
Books 46,000			
Elec. Fitting 15,000			
Furniture 5,000	66,000		
To Rent (88,000 + 4,000)	92,000	By Interest (WN 3)	8,500
To Salaries (66,000 + 3,000)	69,000	By Deficit (Bal. Fig.)	16,700
	2,44,200		2,44,200

Balance Sheet (As at 31.03.2023)

Liabilities	₹	Assets	₹
Capital Fund 7,93,000	7,76,300	Electrical Fittings	1,35,000
(-) Deficit (16,700)		Furniture	45,000
Entrance fees	22,500	Books	4,14,000
Pre received Membership Subscription	10,000	Cash at Bank	20,000
O/s Expenses		O/s Interest	500

Rent	4,000		Cash in hand	11,300
Salaries	3,000	7,000	Investment	1,90,000
		8,15,800		8,15,800

Working Notes:

WN -1 Entrance Fees:

Entrance fees received	30,000
Entrance fees to be capitalized	30,000 x 75% = 22,500
Entrance fees transferred to Income & Expenditure A/c	30,000 x 25% = 7,500

WN-2 Computation of membership subscription belonging to this year

Membership subscription received	2,00,000
Less: Pre received for 2023-24	(10,000)
	1,90,000

WN -3 Computation of Interest for the year 2022-23

Interest on securities as at 31.3.2023	1,50,000 x 5% = 7,500
Interest on additions made on 1.10.2022 for half year = $40,000 \times 5\% \times \frac{6}{12}$	1,000
Total Interest	8,500
(-) Interest received	(8,000)
O/s Interest	500

WN- 4

Books A/c

Particulars	₹	Particulars	₹
To Balance b/d	4,00,000	By depreciation A/c *	46,000
To Cash A/c	60,000	By Balance c/d	4,14,000
	4,60,000		4,60,000

(*) It is given in question to depreciate books including additions @ 10%

$\therefore \text{Dep. } (\text{₹ } 4,00,000 + \text{₹ } 60,000) \times 10\% = 46,000$

WN -5: Computation of Depreciation on Electrical Fittings & Furniture:

	Electrical Fittings	Furniture
Opening Balances	1,50,000	50,000
(-) Depreciation @ 10%	(15,000)	(5,000)
Closing Balances	1,35,000	45,000

Solution 15

Income & Expenditure Account

Expenditure	Amount	Income	Amount
To Salaries	20,000	By Subscription (1,20,000 + 9,000 - 3,500)	1,25,500
To Stationery expenses	1,500	By Donations	25,000
To Repair expenses	5,000	By Entrance Fees	10,000
To Insurance Premium (Incl. O/s)	2,400	By Sale of old newspaper	1,500
To Misc. Expenses (5,000 - 900)	4,100	By Bank Interest	4,000
To Drama Expenses	5,000	By Interest on Investments (60,000*8%*5/12)+1,000	3,000
To Surplus (Bal. Fig.)	1,41,500	By Sale of Drama tickets	10,500
	1,79,500		1,79,500

Closing Balance Sheet (As at 31.03.2023)

Liabilities		Amount	Assets		Amount
Pre-received subscription		3,500	Cash in hand		26,500
Insurance premium outstanding		400	Cash at Bank		72,000
Capital Fund	3,60,000		Furniture		60,000
Add: Donations	25,000		Prepaid Misc. Expenses		900
Add: Surplus	<u>1,41,500</u>	5,26,500	O/s Subscription		9,000
			Investment		60,000
			Accrued Interest on Investment		2,000
			Billiards table & other sports equipment		3,00,000
		5,30,400			5,30,400

Working Note:

Opening Balance Sheet (As at 31.03.2022)

Liabilities		Amount	Assets		Amount
Billiards table outstanding		80,000	Cash in hand		40,000
Capital Fund (Bal. Fig.)		3,60,000	Cash at Bank		1,00,000
			Billiards table & other sports equipment		3,00,000
		4,40,000			4,40,000

Solution 16

Income & Expenditure Account A/c for the year ended 31st March, 2023

Expenditure			Income		
To Expenses	20,000		By Subscription (21,000+6,000)		27,000
To Interest	4,000		By Locker Rent (7,000-2,400)		4,600
To Miscellaneous Expenses	4,700		By Sale Proceeds of old newspapers		1,000
To Surplus (Bal. Fig.)	12,900		By Miscellaneous Income		9,000
	41,600				41,600

Balance Sheet of M/s Antony Education Society as on 31st March, 2023

Liabilities		Amount	Assets		Amount
Capital Fund	1,06,200		Building		1,50,000
Add: Entrance fees*	38,000		Outstanding Subscription (3,800-2,000)		1,800
Add: Surplus	<u>12,900</u>	1,57,100	Land		40,000
Subscription received in Advance		1,000	Cash in Hand		18,300
Outstanding Expenses		2,000			
Loan		40,000			
Sundry Creditors		10,000			
		2,10,100			2,10,100

Note: It has been assumed that Entrance fees is of capital nature & therefore capitalized by adding to capital fund. Alternatively it can also be assumed to be of revenue nature.

Solution 17

In the books of Rotary Club

Dr Income and Expenditure Account for the year ended on 31st March, 2023 Cr

Expenditure		Amount (₹)	Income		Amount (₹)
To Salaries and wages	12,250		By Subscriptions (W.N. 4)		22,000
To Depreciation (W.N. 3)	10,300		By Net proceeds from refreshments (22,000-18,250)		3,750
To Telephone Charges	2,800		By Entrance fees (50% x 26,000)		13,000

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5. Electricity charges to be debited to Income and expenditure Account-

Electricity charges paid for year 2023	15,600
Add: Outstanding charges for year 2023	3,800
Less: Outstanding charges for year 2022	(5,400)
Electricity charges to be debited to Income and Expenditure A/c	14,000

Solution 18

Receipts & Payment Account

Receipts	Amount	Payments	Amount
To Balance b/d		By Salaries & Wages	1,200
Cash in Hand	200	By Purchase of food stuff	800
Cash in Bank	400	By Construction of club Pavilion	11,000
To Entrance fees	300	By General expenses	600
To Membership Fees	3,000	By Rent & Taxes	400
To Donations for club pavilion	10,000	By Bank charges	160
To Food stuff sales	1,200	By Balance c/d	
		Cash in Hand	350
		Cash in Bank	590
	15,100		15,100

Solution 19

Receipts & Payment Account
For the year ended 31st March, 2023

Receipts	Amount	Payment	
To Balance b/d (Bal. Fig)	16,126	By Upkeep of Ground	11,000
		Add: Opening O/s	660
To Subscriptions (W.N. 1)	19,052	By Printing A/c	1,100
		Add: Opening O/s	264
To Sale of News Papers (old)	286	By Salaries A/c	11,100
To Lectures (fee)	1,650	By Rent A/c	1,660
To Entrance fee (715 × 4/1)	2,860	By Furniture A/c (9,900+1100)	11,000
To Misc. income	440	By Prizes given	2,200
To Interest on Prize fund Investment	1,100	By Balance c/d	2,530
	41,514		41,514

W.N. (1)

Dr.

Subscription Account

Cr.

Date	Particulars	Amount	Date	Particulars	Amount
2022 April, 1	To O/s Subscription A/c	880	2022 April, 1	By Advance Subscription A/c	220
2023 March, 31	To Income & Expenditure A/c	19,052	2023 March, 31	By Cash (Receipts and Payment A/c) (B/F)	19,052
March, 31	To Advance Subscription A/c	110	March, 31	By O/s Subscription A/c	770
		20,042			20,042

Solution 20**Receipts & Payment A/c**

Receipts	Amount	Payments	Amount
To Opening Cash balance (Bal. Fig.)	12,300	By Salaries	47,000
To Subscription	71,700	By Sports Equipment purchased	4,000
To Entrance Fee	2,500	By Annual day expenses	7,500
To Annual contribution (7,500 + 7,500)	15,000	By Miscellaneous expenses	5,000
		By Audit Fee	2,500
		By Executives honorarium	10,000
		By Sports day expenses	5,000
		By Printing & stationary	4,500
		By Balance c/d	16,000
	1,01,500		1,01,500

Working Notes:

1. Subscriptions received during the year

Subscriptions income for the year	75,000
(-) Closing O/s Subscription	(7,500)
(+) Opening O/s Subscription	6,000
(-) Opening Pre received subscription	(4,500)
(+) Closing Pre received subscription	2,700
	71,700

2. Salaries & wages paid during the year

Salaries debited to Income & Expenditure A/c	47,500
(-) Closing Outstanding salaries	(4,500)
(+) Opening Outstanding salaries	4,000
	47,000

3. Sports Equipment

Particulars	₹	Particulars	₹
To Balance b/d	26,000	By Depreciation	3,000
To Cash A/c (Bal. Fig.)	4,000	By Balance c/d	27,000
	30,000		30,000

Solution 21**Balance Sheet as at 1st January, 2023**

Liabilities	₹	Assets	₹
Capital Fund (Bal. Fig.)	1,15,400	Freehold Land	1,00,000
O/s Salaries	4,000	Sports Equipments	26,000
O/s Audit Fees	2,000	O/s Subscription	6,000
Bank Loan	20,000	Cash	13,900
Pre received Subscriptions	4,500		
	1,45,900		1,45,900

Receipts & Payments A/c

Receipts	₹	Payments	₹
To Balance b/d (Bal. Fig.)	13,900	By Salaries	47,000
To Subscription	71,700	By General Expenses	5,600
To Entrance Fees	2,500	By Audit Fee	2,000

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To Contribution for annual dinner	10,000	By Secretary's Honorarium	10,000
To Annual sports meet Receipts	7,500	By Stationery & Printing	4,500
		By Annual Dinner expenses	15,000
		By Interest & Bank Charges	1,500
		By Equipments	4,000
		By Balance c/d	16,000
	1,05,600		1,05,600

Balance Sheet as at 31st December, 2023

Liabilities	₹	Assets	₹
Capital Fund 1,15,400		Freehold Ground	1,00,000
(+) Surplus 6,000	1,21,400		
O/s Salaries	4,500	Sports Equipments	27,000
O/s Audit Fees	2,500	O/s Subscriptions	7,500
Bank Loan	20,000	Prepaid Insurance	600
Pre received Subscriptions	2,700	Cash	16,000
	1,51,100		1,51,100

Working Notes:

1. Salaries paid during the year

Salaries for the year 2022	47,500
(+) Outstanding salaries as at 31.12.2022	4,000
(-) Outstanding salaries as at 31.12.2023	(4,500)
	47,000

2. General Expenses Paid

General Expenses for 2023	5,000
(+) Prepaid Insurance	600
	5,600

3. Computation of sports equipments purchased during the year

Closing Balance	27,000
(+) Depreciation	3,000
	30,000
(-) Opening Balance	(26,000)
	4,000

4. Subscriptions received during the year

Subscriptions for the year 2023	75,000
(+) O/s Subscription as at 31.12.2022	6,000
(-) O/s Subscription as at 31.12.2023	(7,500)
(+) Pre received subscriptions as at 31.12.2023	2,700
(-) Pre received subscription as at 31.12.2022	(4,500)
	71,700

5. Audit fee for 2023 is not paid. Thus, it will be shown in the balance sheet as at 31.12.2023 as outstanding expenses of ₹ 2,500. In 2023, audit fee for 2022 is paid (which is ₹ 2,000). thus, this amount will stand in the balance sheet as at 31.12.2022 as an O/s expense of ₹ 2,000 (Assuming there is no other outstanding audit fee)

Solution 22

The Young Boys Club
Receipts and Payments Account for the year ended 31st December, 2022

Receipts	₹	Payments	₹
To Balance b/d (balancing figure)	1,580	By Salaries (WN-2)	3,900
To Subscriptions (WN-1)	8,270	By General Expenses 1500	
To Entrance Fees	250	Add: Paid for 2023 <u>150</u>	1,650
To Contribution for annual dinner	1,000	By Audit fee (2021)	200
To Annual sport meet receipt	750	By Secy. Honorarium	1,000
		By Stationery & Printing	450
		By Annual Dinner Expenses	1,500
		By Interest & Bank Charges	150
		By Sports Equipment (WN-3)	1,400
		By Balance c/d	1,600
	11,850		11,850

Working Note 1

Subscription A/c

Particular	₹	Particular	₹
To Subscription O/s 2021	700	By Balance b/d (b/f)	8,270
To Subscription in Advance 2022	370	By Subscription O/s 2022	750
To Income & Expenditure a/c	<u>8,500</u>	By Subscription in Advance 2021	<u>550</u>
Total	<u>9,570</u>	Total	<u>9,570</u>

Working Note 2

Salaries A/c

Particular	₹	Particular	₹
To Bank (b/f)	3,900	By Income & Expenditure a/c	3,750
To Salaries O/s 2022	450	By Salaries O/s 2021	600
Total	<u>4,350</u>	Total	<u>4,350</u>

Working Note 3

Sports Equipment A/c

Particular	₹	Particular	₹
To Balance b/d	2,600	By Depreciation	400
To Cash / Bank (b/f)	<u>1,400</u>	By Balance c/d	<u>3,600</u>
Total	<u>4,000</u>	Total	<u>4,000</u>

Balance Sheet of Young Boys Club as on December 31, 2022

Liabilities	₹	₹	Assets	₹	₹
Subscription received in advance		370	Freehold Ground		20,000
Audit Fee Outstanding		250	Sport Equipment:		
Salaries Outstanding		450	As per last Balance Sheet	2,600	
Bank Loan		5,000	Additions	1,400	
Capital Fund:				<u>4,000</u>	
Bal. as per opening Balance Sheet	18,530		Less: Depreciation	<u>(400)</u>	3,600
Add: Surplus for 2022	<u>1,500</u>	20,030	Subscription Outstanding		750
			Insurance Prepaid		150
			Cash in hand		1,600
		<u>26,100</u>			<u>26,100</u>

Balance Sheet of Young Boys Club as on 31st December, 2021

Liabilities	₹	Assets	₹
Subscriptions received in advance	550	Freehold Ground	20,000
Salaries outstanding	600	Sports Equipment	2,600
Audit fees unpaid	200	Subscriptions Outstanding	700
Bank Loan	5,000	Cash in hand	1,580
Capital Fund (balancing figure)	18,530		
	24,880		24,880

Solution 23

Receipt & Payment A/c

Receipts	Amount	Payments	Amount
To Balance b/d	8,300	By Payment of Sports mat. (WN3)	71,200
To Subscription	4,27,000	By Fixed Asset purchased	40,000
To Interest on 8% bonds	6,000	By Salaries (1,18,800 + 16,000 – 14,300)	1,20,500
To Sale of sports material (WN-2)	22,480	By Rent (2,16,000 + 21,000 – 15,000)	2,22,000
To Sale of old Newspaper	11,600	By Printing & stationery (28,000 + 1,550 – 1,350)	28,200
To Entrance fees	2,40,000	By Repairs & Maintenance (18,700 + 1,200)	19,900
		By Misc. Expenses	5,700
		By Fixed Deposits	80,000
		By Garden upkeep	19,300
		By Electricity charges	38,500
		By Membership Fee {3,200 + 9,600 (3,200*9/3)}	12,800
		By Postage & Telephone	41,600
		By Balance c/d (Bal. Fig.)	15,680
	7,15,380		7,15,380

Closing Balance Sheet (As at 31.03.2023)

Liabilities	Amount	Assets	Amount
Capital Fund 4,09,300		Fixed Assets	2,67,000
Add: Surplus 3,500	4,12,800	(2,40,000 + 40,000 - 13,000)	
Advance subscription	4,900	Stock of Sports Material	35,670
O/s Salaries	14,300	Advance Member Fees	9,600
O/s Rent	15,000	Accrued Interest	6,000
Creditors for Sports Material	4,200	Fixed Deposits	80,000
Entrance Fees	1,20,000	O/s Subscription	5,700
		8% Govt. Bonds	1,50,000
		Advance for Stationery	1,550
		Bank Balance	15,680
	5,71,200		5,71,200

Working Note

1. Subscriptions received during the year

Subscriptions income for the year	4,20,000
(-) Closing O/s Subscription	(5,700)
(+) Opening O/s Subscription	10,200
(-) Opening Pre received subscription	(2,400)

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(+) Closing Pre received subscription	4,900
	4,27,000

2. **Stock of Sports Material A/c**

Particulars	Amount	Particulars	Amount
To balance b/d	43,450	By Bank (Sale of Material) (Bal. Fig.)	22,480
To Purchases	72,000	By Sports Material Utilized	62,800
To P & L (Profit on Sale)	5,500	By Balance c/d	35,670
	1,20,950		1,20,950

3. **Creditors for Sports Material A/c**

Particulars	Amount	Particulars	Amount
To Bank (Bal. Fig.)	71,200	By Balance b/d	3,400
To Balance c/d	4,200	By Purchases	72,000
	75,400		75,400

4. **Fixed Asset Purchased during the year**

Depreciation during the year	13,000
Less: Depreciation on Opening balance of fixed asset (2,40,000 *5%)	(12,000)
Depreciation on new purchase of fixed asset during the year	1,000
Cost of asset purchased during the year (1,000*12/6*100*5) = 40,000	

5. **Opening Balance Sheet(As at 31.03.2022)**

Liabilities	Amount	Assets	Amount
Advance subscription	2,400	Fixed Assets	2,40,000
O/s Salaries	16,000	Stock of Sports Material	43,450
O/s Rent	21,000	O/s Subscription	10,200
O/s Repairs & Maintenance	1,200	8% Government Bonds	1,50,000
Creditors for Sports Material	3,400	Advance for stationery	1,350
Capital Fund (Bal. Fig.)	4,09,300	Bank Balance	8,300
	4,53,300		4,53,300

Solution 24

ATK Club

Receipts and Payments Account for the year ended 31st March, 2023

RECEIPTS	₹	PAYMENTS	₹
To Balance b/d (balancing figure)	54,400	By Salaries Paid (W.N. 2)	4,72,000
To Subscriptions Received (W.N.1)	6,53,600	By Audit fee (W.N. 3)	8,000
To Entrance Fees	16,000	By Telephone	6,000
To Misc. Income	1,44,000	By Stationery & Printing	24,000
		By Postage	2,000
		By Office expense	48,000
		By Bank Interest	22,000
		By Annual General Meeting Exp.	1,00,000
		By Sports Equipment's (W.N.4)	72,000
		By Balance c/d	1,14,000
	8,68,000		8,68,000

Balance Sheet of ATK Club as at March31, 2023

Liabilities	₹	Assets	₹
Capital Fund :		Club Premises	7,60,000
Opening : 8,82,400		Sport Equipment	2,52,000
Add: Surplus: <u>1,20,000</u>	10,02,400	Subscription Outstanding	72,000
Bank Loan	1,20,000	Cash in hand	1,14,000
Subscription received in advance	33,600		
Audit Fee Outstanding	10,000		
Salaries Outstanding	32,000		
	11,98,000		11,98,000

Balance Sheet of ATK Club as at 31st March, 2022

Liabilities	₹	Assets	₹
Subscriptions received in advance	52,000	Club Premises	7,60,000
Salaries Outstanding	24,000	Sports Equipment	2,08,000
Audit fees payable	8,000	Subscriptions Outstanding	64,000
Bank Loan	1,20,000	Cash in hand	54,400
Capital Fund (balancing figure)	8,82,400		
	10,86,400		10,86,400

Working Notes:

1) Subscription received in 2022-23

Add: Subscription for 2022-23 on accrual basis	6,80,000
Add: Amount received in advance on 31.03.2023	33,600
Outstanding as on 01.04.2022 received in 2022-23	64,000
	<u>7,77,600</u>
Less: Outstanding to be received on 31.03.2023	72,000
Amount of 2022-23 received in 2021-22	52,000
	<u>6,53,600</u>

2) Salary paid in 2022-23

Salary for 2022-23 on accrual basis	4,80,000
Add: Outstanding as on 01.04.2022 paid in 2022-23	24,000
Less: Outstanding to be paid on 31.03.2023	32,000
	<u>4,72,000</u>

3) Audit Fees paid in 2022-23

Audit Fees for 2022-23 on accrual basis	10,000
Add: Outstanding as on 01.04.2022 paid in 2022-23	8,000
Less: Outstanding to be paid on 31.03.2023	10,000
	<u>₹ 8,000</u>

4) Sports Equipment purchased during 2022-23

WDV as on 31.03.2023	2,52,000
Add: Depreciation	28,000
Less: WDV as on 31.03.2022	2,08,000
	<u>72,000</u>

Solution 25**Correct Receipt & Payment A/c**

Receipts	Amount	Payment	Amount
To Balance b/d	9,000	By Sports Material	54,000
To Subscription	9,00,000	By Printing & Stationery	21,000
To Sale of Furniture (90,000 – 36,000)	54,000	By Repairs & Maintenance (1,26,000 – 54,000)	72,000
To Entrance Fees	68,000	By Electricity Charges	36,000
To Sale of Old Newspaper	36,000	By Telephone Expenses	45,000
To 5% Interest on Investments	27,000	By Garden upkeep	55,000
To Donation for Building	18,00,000	By Balance c/d (Bal. Fig.)	26,11,000
	28,94,000		28,94,000

Income & Expenditure A/c

Expenditure	Amount	Income	Amount
To Loss on Sale of Furniture	36,000	By Subscription	9,18,000
To Sports Material Consumed (1,33,200 + 54,000 – 36,000)	1,51,200	By Entrance Fee (68,000*50%)	34,000
To Printing & Stationery (21,000 + 2,500 – 1,500)	22,000	By Sale of Old Newspaper	36,000
To Electricity Charges (36,000 + 3,200)	39,200	By 5% Interest on Investment	27,000
To Repairs & Maintenance	72,000		
To Telephone Expenses	45,000		
To Garden upkeep	55,000		
To Surplus (Bal. Fig.)	5,94,600		
	10,15,000		10,15,000

Closing Balance Sheet (As At 31.03.2023)

Liabilities	Amount	Assets	Amount
Pre-received subscription	18,000	Furniture (3,60,000 - 90,000)	2,70,000
O/s Printing & Stationery Exp.	2,500	Stock of Sports Material	36,000
O/s Electricity Charges	3,200	O/s Subscription	54,000
Entrance Fee	34,000	5% Investment	5,40,000
Capital Fund = 10,58,700 5,94,600	16,53,300	Bank Balance	26,11,000
Donation for Building	18,00,000		
	35,11,000		35,11,000

Working Notes:**Opening Balance Sheet (As at 31.03.2022)**

Liabilities	Amount	Assets	Amount
Pre-received Subscription	18,000	Furniture	3,60,000
O/s Printing & Stationery	1,500	Sports Material Stock	1,33,200
Capital Fund (Bal. Fig.)	10,58,700	O/s Subscription	36,000
		5% Investment	5,40,000
		$\left[\frac{5}{100} \times x = 27,000 \right]$	
		Cash Balance	9,000
	10,78,200		10,78,200

Subscriptions received during the year

Subscriptions income for the year	9,18,000
(-) Closing O/s Subscription	(54,000)
(+) Opening O/s Subscription	36,000
(-) Opening Pre received subscription	(18,000)
(+) Closing Pre received subscription	18,000
	9,00,000

Solution 26**Income & Expenditure A/c**

Expenditure	Amount	Income	Amount
To Depreciation Club premises 1,020 (20,400*5%) Car <u>4,680</u> (31,200*15%)	5,700	By Subscription (21,420 + 1,960 – 2,400)	20,980
To Honoraria to Secretary	9,600	By Profit from Bar activity	4,000
To Misc. Expenses	3,060	By Sale of Old Magazines	4,800
To Groundman's Wages	1,680	By Entertainment Fees	8,540
To Printing & Stationery	940	By Bank interest	460
To Telephone Expenses	4,780	By Profit from sale of Car	2,200
To Rates & Taxes	2,520		
To Repairs	640		
To Surplus (Bal. Fig.)	12,060		
	40,980		40,980

Closing Balance Sheet (As at 30.09.2023)

Liabilities	Amount	Assets	Amount
O/s Amount for Bar Purchase	860	Cash & Bank	6,920
Capital Fund 43,600		O/s subscription	1,960
Add: Surplus <u>12,060</u>	55,660	Club Premises	19,380
		Car	26,520
		Bar Stock	1,740
	56,520		56,520

Car A/c

Particulars	Amount	Particulars	Amount
To Balance b/d	3,800	By Depreciation	4,680
To Bank a/c (25,200 + 6,000)	31,200	By Bank a/c (sold)	6,000
To P & L a/c	2,200	By Balance c/d	26,520
	37,200		37,200

Opening Balance Sheet (As at 01.10.2022)

Liabilities	Amount	Assets	Amount
O/s Amount for Bar Purchase	1,180	Cash & Bank	16,760
Capital Fund (Bal. Fig.)	43,600	O/s Subscription	2,400
		Club Premises (58,000 – 37,600)	20,400
		Car (24,380 – 20,580)	3,800
		Bar Stock	1,420
	44,780		44,780

Creditors for Bar Purchases

Particulars	Amount	Particulars	Amount
To Bank A/c (Payment)	11,540	By Balance b/d	1,180
To Balance c/d	860	By Purchases (Bal. Fig.)	11,220
	12,400		12,400

Bar Stock A/c

Particulars	Amount	Particulars	Amount
To Balance b/d	1,420	By Receipts	14,900
To Purchases	11,220	By Balance c/d	1,740
To Income & Exp. A/c (Profit)	4,000		
	16,640		16,640

Note: The opening and closing balance of cash and bank shown in the Receipts and Payments Account (given in the question), include the bank balance as per cash book. Therefore, no adjustment has been made in the above solution on account of cheques issued, but not presented for payment of printing

Solution 27

Income and Expenditure Account of Mumbai Club for the year ending 31st March, 2023

Expenditure	₹	Income	₹
To Groundsman's fee	75,000	By Donations and Subscription (W.N.2)	2,45,000
To Rent of Ground	25,000	By Receipts from bar room	20,000
To Club night Expenses 38,000		By Proceeds of club night	78,000*
Less: Contribution (10,000)	28,000*	By Interest (5,000+2,000)	7,000
To Printing & Office Expenses (W.N. 3)	28,000		
To Repairs to Equipment (W.N.4)	45,000		
To Depreciation on Machinery (W.N. 5)	52,000		
To Honorarium to Secretary	60,000		
To Bonus to Groundsman	20,000		
To Excess of Income over Expenditure	17,000		
	3,50,000		3,50,000

* Alternatively, the profits from club night can be shown as the net amount of ₹ 50,000 (₹ 78,000 - ₹ 28,000) on the credit side of Income and Expenditure Account.

Balance Sheet of Mumbai Club as on 31st March, 2023

Liabilities	₹	Assets	₹
Outstanding Expenses:		Cash in hand	25,000
Groundsman Bonus	20,000	Cash in Saving A/c	2,04,000
Printing	8,000	Subscription Receivable	10,000
Honorarium (40,000+20,000)	60,000	Interest Due	2,000
Bank Overdraft (25,000-20,000)	5,000	Machinery & Equipment's	1,75,000
Capital Fund: Opening	2,88,000		
Add: Surplus for the year	17,000		
Add: Entrance Fees	18,000		
	4,16,000		4,16,000

Working Note 1

Balance Sheet as on 1st April, 2022

Liabilities	₹	Assets	₹
Outstanding Expenses		Cash in hand	20,000
Printing	10,000	Cash in Saving A/c	1,93,000
Honorarium to Secretary	40,000	Cash in Current A/c	30,000

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Capital Fund (Balancing Figure)	2,88,000	Subscription Receivable	15,000
		Machinery & Equipment's	80,000
	3,38,000		3,38,000

Working Note 2: Calculation of Donations and Subscriptions

Donations and Subscriptions as per Receipt and Payments A/c	2,50,000
Add: Outstanding as on 31.03.23	10,000
Less: Outstanding as on 01.04.22	<u>(15,000)</u>
	2,45,000

Working Note 3: Printing and Office Expenses

Printing and Office Expenses as per Receipt and Payments A/c	30,000
Add: Outstanding as on 31.03.23	8,000
Less: Outstanding as on 01.04.22	<u>(10,000)</u>
	28,000

Working Note 4: Repairs to Equipment

Repairs as per Receipt and Payments	50,000
A/c Add: Outstanding as on 31.03.23	25,000
Less: Outstanding as on 01.04.22	<u>(30,000)</u>
	45,000

Working Note 5: Depreciation on Machinery and equipment

Balance as on 01.04.22	80,000
Add: Purchases during the year	1,55,000
Less: Sale of Equipment	(8,000)
Less: Balance as on 31.03.23	<u>(1,75,000)</u>
	52,000

Solution 28

AS College

Income and Expenditure Account for the year ending 31st March, 2023

Expenditure	₹	₹	Income	₹
To Salaries: Teaching		8,75,000	By Tuition & other fee	8,92,000
Research		1,25,000	By Govt. Grants	5,01,000
To Material & Supplies Consumed			By Income from Investments	1,75,000
-Teaching		52,000	By Hostel room Rent	1,65,000
-Research		1,45,000	By Mess Receipts	2,05,000
To Sports & Games Expenses			By Profit-stores sales	1,14,000
-Cash	52,000			
-Materials	<u>24,000</u>	76,000		
To Students Welfare Expenses				
-Cash	37,000			
-Materials	<u>78,000</u>	1,15,000		
To Scholarships		85,000		
To Depreciation:				
-Building		77,500		
-Plant & Equipment		85,000		
-Furniture		54,000		
-Motor Vehicle		48,000		
To Excess of Income over Expenditure		3,14,500		
		20,52,000		20,52,000

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AS College
Balance Sheet as on 31st March, 2023

Liabilities	₹	₹	Assets	₹	₹
Capital Fund			Fixed Assets:		
Opening balance	13,08,000		Land		1,50,000
Add: Excess of Income over Expenditure	<u>3,14,500</u>	16,22,500	Building Cost	15,50,000	
Building Fund		19,10,000	Less: Dep.	<u>(5,67,500)</u>	9,82,500
Current Liabilities:			Plant & Machinery Cost	8,50,000	
Outstanding Expenses		2,35,000	Less: Dep.	<u>(5,90,000)</u>	2,60,000
Security Deposit		1,55,000	Furniture & Fittings:		
			Cost	5,40,000	
			Less: Dep.	<u>(3,80,000)</u>	1,60,000
			Motor Vehicles		
			Cost:	2,40,000	
			Less: Dep.	<u>(48,000)</u>	1,92,000
			Library		3,20,000
			Investments		12,75,000
			Stock (stores)-		
			Material & Supplies		1,85,000
			Tuition fees receivable		82,000
			Cash in hand & at Bank		3,16,000
		39,22,500			39,22,500

Working Notes:

(1)	Material & Supplies-Closing Stock		₹	₹
	Opening Stock			3,10,000
	Purchases			<u>8,20,000</u>
				11,30,000
	Less: Cost of Goods Sold		6,46,000	
	Material Consumed		2,99,000	(9,45,000)
	Balance			1,85,000
(2)	Provisions for Depreciation	Building	Plant & Equipment	Furniture & Fitting
		₹	₹	₹
	Opening Balance	4,90,000	5,05,000	3,26,000
	Addition	<u>77,500</u>	<u>85,000</u>	<u>54,000</u>
	Closing Balance	<u>5,67,500</u>	<u>5,90,000</u>	<u>3,80,000</u>

Solution 29

Receipts and Payments Account for the year ended 31-03-2023

Receipts	Amount	Payments	Amount
To balance b/d		By Salaries	60,000
Cash and bank	1,10,000	By Purchase of sports goods (25,000-15,000)	10,000
To Subscription received (W.N.1)	2,45,000	By Purchase of machinery (20,000-10,000)	10,000
To Sale of investments (W.N.2)	70,000	By Sports expenses	50,000
To Interest received on investment	14,000	By Rent paid (24,000 -2,000)	22,000
To Sale of furniture	8,000	By Miscellaneous expenses	5,000
		By Balance c/d	
		Cash and bank	2,90,000
	4,47,000		4,47,000

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Income and Expenditure account for the year ended 31-03-2023

Expenditure		Amount	Income		Amount
To Salaries	60,000		By Subscription		3,00,000
Add: Outstanding for 2023	18,000		By Interest on Investment		
Less: Outstanding for 2022	(15,000)	63,000	Received	14,000	
To Sports expenses		50,000	Accrued (W.N.5)	<u>3,500</u>	17,500
To Rent		24,000			
To Miscellaneous exp.		5,000			
To Loss on sale of furniture (W.N.3)		6,000			
To Depreciation (W.N.4)					
Furniture	1,400				
Machinery	1,500				
Sports goods	<u>2,250</u>	5,150			
To Surplus		1,64,350			
		3,17,500			3,17,500

Working Notes:

1. Calculation of Subscription received during the year 2022-23

	₹
Subscription due for 2022-23	3,00,000
Add: Outstanding of 2022	1,40,000
Less: Outstanding of 2023	(2,00,000)
Add: Subscription of 2023 received in advance	30,000
Less: Subscription of 2022 received in advance	(25,000)
	2,45,000

2. Calculation of Sale price and profit on sale of investment

Face value of investment sold: ₹ 1,75,000 × 50% = ₹ 87,500

Sales price: ₹ 87,500 × 80% = ₹ 70,000

Cost price of investment sold: ₹ 1,40,000 × 50% = ₹ 70,000

Profit/loss on sale of investment: ₹ 70,000 – ₹ 70,000 = NIL

3. Loss on sale of furniture

	₹
Value of furniture as on 01-04-2022	28,000
Value of furniture as on 31-03-2023	14,000
Value of furniture sold at the beginning of the year	14,000
Less: Sales price of furniture	(8,000)
Loss on sale of furniture	6,000

4. Depreciation

Furniture - ₹ 14,000 × 10% =	1,400
Machinery - ₹ 10,000 × 15% =	1,500
Sports goods - ₹ 15,000 × 15% =	2,250

5. Interest accrued on investment

Face value of investment on 01-04-2022	1,75,000
Interest @ 10%	17,500
Less: Interest received during the year	(14,000)
Interest accrued during the year	3,500

Note: It is assumed that the sale of investment has taken place at the end of the year.