

The accounts maintained by non-trading organisations such as clubs and societies often use different terms to those used in the accounts of a trading business.

REQUIRED

(a) Complete the following table to name the equivalent terms used by a non-trading organisation.

The first one has been completed as an example.

Trading business	Non-trading organisation
(i) Cash book	<i>Receipts and Payments Account</i>
(ii) Net loss
(iii) Capital
(iv) Profit and Loss Account

[3]

The treasurer of El Nil Sailing Club maintains a full set of accounting records. The following account appears in the ledger of El Nil Sailing Club.

Subscriptions account						
2005		\$		2005	\$	
Aug 1	Balance b/d	750		Aug 1	Balance b/d	300
2006				2006		
July 31	Income & Expenditure	4500		July 31	Bank	5850
	Balance c/d	<u>900</u>				
		<u>6150</u>				<u>6150</u>
				2006		
				Aug 1	Balance b/d	900

REQUIRED

(b) (i) Explain **each** of the following entries in the subscriptions account as it appears in the ledger of El Nil Sailing Club. State where the double entry for **each** transaction would be made.

The first one has been completed as an example.

2005			
Aug 1	Balance \$300		
	Explanation	<i>This is the total subscriptions paid by members during the financial year ended 31 July 2005 which relate to the following financial year.</i>	
	Double entry	<i>Debit subscriptions account for year ended 31 July 2005</i>	
2005			
Aug 1	Balance \$750		
	Explanation	
		
	Double entry	
2006			
July 31	Bank \$5850		
	Explanation	
		
	Double entry	
2006			
July 31	Income and Expenditure \$4500		
	Explanation	
		
	Double entry [6]	

- (ii) Explain the significance of the \$900 shown at the end of the subscriptions account and state where this amount will appear in El Nil Sailing Club's Balance Sheet at 31 July 2006.

.....

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..... [2]

The treasurer of Al Shuhada Music Club provided the following list of balances appearing in the books on 1 October 2006:

	\$
Premises at cost	32 000
Musical instruments at valuation	9 800
Subscriptions prepaid by members	350
Subscriptions owing by members	150
Bank overdraft	1 620
Property tax owing	400

A summary of the cash book for the year ended 30 September 2007 shows:

	\$		\$
Subscriptions	9 550	Bank balance 1 October 2006	1 620
Ticket sales for concerts	3 000	New musical instruments	750
		Property tax	3 130
		Expenses of staging concerts	2 730
		Insurance	1 780
		General expenses	5 820

The following information is also available:

- On 30 September 2007
 - property tax prepaid amounted to \$240;
 - the musical instruments were valued at \$8700.
- A bank statement received on 30 September 2007 showed that bank charges amounted to \$210. This had not been recorded in the Club's accounting records.

REQUIRED

- Prepare the income and expenditure account of Al Shuhada Music Club for the year ended 30 September 2007.
- Select **one** of the items appearing in the summary of the cash book which should **not** be included in the income and expenditure account and explain **why** it does not appear.

Item

Explanation

..... [2]

1. Examine the Receipts and Payments Account of the Eastern Sailing Club for the year ended 31 July, 2007.

**EASTERN SAILING CLUB
RECEIPTS & PAYMENTS ACCOUNT
Year Ended 31 July 2007**

RECEIPTS	\$	PAYMENTS	\$
Balance at bank b/d	840	Rent of rooms	1 800
Subscriptions	11 240	Wages of caretaker	6 500
Entrance fees	500	Purchase of boat weights	2 800
Sale of old weights	7 600	Sale day advertising	2 050
Sale of refreshments	2 980	Refreshment supplies	6 640
		Secretary's salary	1 200
		Balance at bank c/d	<u>2 170</u>
	<u>23 160</u>		<u>23 160</u>

YOU ARE REQUIRED TO:

- A. Write each item (except Balance at the bank) in the space provided and say:
- a. whether or not that item should be found in the **INCOME & EXPENDITURE** Account. [10]
 - b. State which items should be shown as income and which items should be shown as expenditure. [5]
- B. What is the "Balance at bank b/d" and where is it shown in the accounts? [2]
- C. What happens to the Balance at bank c/d and where should it be found? [2]
- D. What name is given to a **DEBIT** balance (closing) of the **INCOME & EXPENDITURE** Account. [1]

The New Providence Sports Club shows the following balances at 1 January, 2006:

	\$
Balance at the bank	362
Sports drinks	140
Subscriptions due from previous year	55
Furniture	590
Rent (prepaid)	20
Creditors for sports drinks	100

A summary of their Receipts and Payments account for the period ended 31 December, 2006 shows the following:

RECEIPTS	\$	PAYMENTS	\$
Subscriptions	970	Insurance	43
Sales of sports drinks	2 135	Rent	735
Sale of old furniture	87	Dance Expenses	314
Dances	416	New furniture	160
Donations	132	Creditors for drinks	1 861
		Wages	519
		Postages	17
		Electricity	111

NOTES:

1. Subscriptions due at 31 December, 2005 amounts to \$67.
2. The old furniture sold had a book value of \$112.
3. Depreciation for the year of \$49 is to be applied to the furniture.
4. Sports drinks at 31 December, 2006 were valued at \$215.
5. There were outstanding amounts due to creditors for sports drinks \$85 and electricity \$13 at 31 December, 2006.

YOU ARE REQUIRED TO:

- A. Show the calculation of profit on sports drinks for the period ended 31 December, 2006. [5]
- B. Draw up the Income and Expenditure Account at 31 December, 2006 showing clearly a Surplus or Deficit. [10]
- C. Calculate the Accumulated Fund as at 31 December, 2006. [5]

Total Marks [20]