

PENANG SANGAM HIGH SCHOOL

P. O BOX 44, RAKIRAKI

LESSON NOTES Week 11

SUBJECT: ACCOUNTING

YEAR/LEVEL: 12

Strand 4: NON PROFIT ORGANISATIONS

Sub-strand 4.3: Non- Profit Organisations

Content Learning Outcome: Prepare and Present the financial statements of a non-profit organisation incorporating balance day adjustments.

Greetings to all my students, this week (week 11) we will attempt more activities on this topic so that you understand the concepts taught better. The solutions for these activities will be provided in the next set of worksheets however if there are any queries do contact me in our 12A Viber group.

ACTIVITY (Ref: MOE Text Year 12 Accounting pg. 128 & 132)

1. Subscriptions in **arrears/due** at the end of the accounting period is classified as
A. current asset. B. current liability. C. income. D. expenditure.
2. Non-profit organisation prepares all of the following except:
A. Receipts and Payments account.
B. Income and Expenditure statement.
C. Statement of Financial Performance.
D. Statement of Financial Position.
3. List **2 Differences** between Receipts and Payments Statement and Income and Expenditure Statement.
4. **Who** is responsible of preparing financial statements of a club?
5. If annual subscription of club is \$20 per member, **how many members** does the club have with annual subscription income of \$4 000.
6. List **2 records** kept by the club.
7. List **2 sources** of income for the non-trading concern.
8. **Differentiate** between incorporated and unincorporated clubs.
9. State **one reason** for auditing Financial records of registered clubs.

10. The treasurer of Dragons Sports Club provided the following information relating to the year 2015:

Assets and Liabilities as at 1st January 2015:

	\$		\$
Cash at bank	1000	City rates due	70
Canteen – stock	2350	Accumulated Fund	3850
Accounts Receivables for canteen	480		
Subscription due	90		

Receipts and Payments for the 2015

	\$		\$
Subscription	2085	Canteen purchases	980
Canteen Sales	3690	Sports equipment 01/07/15	100
Sale of dance tickets	200	Caretaker's wages	140
Entrance Fees	580	Crockery replacement- Canteen	20
Canteen – Accounts Receivable	270	City rates	410
		Electricity	95
		Cell phone and internet	310

Additional Information 31/12/2015:

1. Subscription received in advance \$80.
2. Subscription in arrears is \$60.
3. Canteen Inventories at 31/12/15 is \$700.
4. Depreciation on sports equipment is charged at 10% on cost.
5. City rates in arrears \$95.
6. Accounts Receivables for canteen \$3570.

Required: Using the information given above prepare:

i. The Subscriptions Account. (*Note: Balance of this account will go in Income & Expenditure Statement*)

ii. Canteen Trading Statement for the year ended 31st December 2015.

(*Note: Profit/Loss from this statement will go in Income & Expenditure Statement*)

iii. The Statement of Income and Expenditure of Dragons Sports Club for the year ended 31st December 2015. (*Hint: Account for balance day adjustments where required*)

iv. The Statement of Financial Position of Dragons Sports Club as at 31st December 2015.

(*Note: Surplus /Deficit from Income & Expenditure Statement will be transferred here to balance up*)

(Best wishes for week 11 studies, take care and Stay Safe)