

QB365 Question Bank Software Study Materials

Accounts of Not-For-Profit Organisation 50 Important 1 Marks Questions With Answers (Book Back and Creative)

12th Standard

Accountancy

Total Marks : 50

Multiple Choice Question

50 x 1 = 50

- 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) An advance receipt of subscription from a member of the non - profit organization is considered as an _____
(a) Expense (b) **Liability** (c) Equity (d) Asset
- 12) Income and Expenditure account is based on _____
(a) Cash accounting (b) Government accounting (c) Management accounting (d) **Accrual accounting**
- 13) 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**

- (c) Increase of a fixed asset (d) Capital expenditure incurred on a fixed asset (e) Profit on the sale of a fixed asset
- (d) Sale of a fixed asset
- 14) Subscription received but not yet earned is considered as a /an _____
 (a) Asset (b) **Liability** (c) Income (d) Expenditure
- 15) 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
- 16) 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.
- 17) On what basis the receipts and payments account is prepared?
(a) Cash basis (b) Credit basis (c) Both (d) None of these
- 18) In non - profit organization, the sale of old newspapers is generally considered as an _____
 (a) Revenue receipt (b) Expenditure (c) **Income** (d) Capital receipt
- 19) 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
- 20) Charitable institutions and educational institutions are the examples of _____
 (a) profit organisation (b) **not-for-profit organisation** (c) both (d) none of these
- 21) If the donation is received without any specific condition, then it is a _____
(a) general donation (b) specific donation (c) donation fund (d) none of these
- 22) Capital fund also called as _____
(a) accumulated fund (b) special fund (c) donation fund (d) none of these
- 23) Which of the following is generally considered as a non profit organisation?
(a) Charitable organisation (b) Corporation (c) Audit firms (d) Insurance companies
- 24) 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**
- 25) Expenditures greater than incomes of a nonprofit organization give rise to a _____
 (a) Loss (b) Profit (c) Surplus (d) **Deficit**
- 26) Receipts and Payment accounts is a _____ account in nature.
(a) real (b) personal (c) nominal (d) all of these
- 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 a revenue expenditure

- (a) Specific donation (b) **Honararium** (c) Legacy (d) Interest on investment

32) _____ 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

33)

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)
1	2	3	4

 (b)

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

 (c)

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

 (d)

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

34)

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

35) State the primary motive of not for profit organisation _____

- (a) Producing good (b) **Provide service** (c) Both (d) None of these

36) State the nature of life membership subscription _____.

- (a) Cash payments (b) **Cash receipts** (c) Capital Receipt (d) None of these

37) Subscription received in advance is an income or a liability _____.

- (a) An asset (b) Income (c) **A liability** (d) Expenditure

38) Not-for-profit organisation prepare _____

- (a) **Income and Expenditure Account** (b) Trading and Profit and loss Account (c) Only the Trading Account
(d) Cash Budget

39) The Receipts and Payment account is a summary of _____

- (a) Debit and Credit balances of Ledger Account (b) **Cash receipts and payments** (c) Income and Expenses
(d) Balance Sheet

40) Subscription received in advance by a club are shown _____

- (a) On the credit side of the Income and Expenditure A/c (b) On the assets side of the Balance sheet
(c) **On the liabilities side of the Balance sheet** (d) On the debit side of the Income & Expenses A/c

41) Donations received for a special purpose are a _____

- (a) Liability (b) Revenue Receipt (c) Capital Receipt (d) **capital reserve**

42) The Receipts and Payment A/c is a _____

(a) **Nominal Account** (b) Real Account (c) Personal Account (d) None of these

43) The Income and Expenditure Account reveals_____.

(a) **Cash in hand** (b) Surplus or deficiency (c) Capital A/c (d) Reserve

44) Subscription received in advance during the current year is_____

(a) **an income** (b) an asset (c) a liabilities (d) none of these

45) If there is "Match Fund" then match expenses and incomes one transferred to_____.

(a) **Income and Expenditure A/c** (b) Assets side of B/S (c) Liabilities side of Balance sheet
(d) Both Income and Expenditure A/c and Balance Sheet

46)

(a) Sale of old newspapers	1. Opening Asset - Opening liabilities
(b) Legacy	2. Gift
(c) Donations	3. Capital receipt
(d) Capital fund	4. Revenue receipt

(a)

a	b	c	d
1	2	3	4

 (b)

a	b	c	d
4	3	2	1

 (c)

a	b	c	d
2	3	4	1

 (d)

a	b	c	d
4	2	3	1

47)

(a) Subscription	1. Capital Receipt
(b) Honorarium	2. Capital expenditure
(c) Life membership fees	3. Revenue expenditure
(d) Purchase of library books	4. Revenue Receipt

(a)

a	b	c	d
4	3	1	2

 (b)

a	b	c	d
1	2	3	4

 (c)

a	b	c	d
2	1	3	4

 (d) (d) None of these

48) Specific Donation: Assertion: Donation is received with a specific condition for a particulars Purpose like sports fluid is a specific donation.

Reason: It is a capital Receipt.

(a) Assertion & Reason is incorrect (b) **Assertion & Reason is correct** (c) Assertion is correct & Reason is incorrect
(d) Assertion is incorrect & Reason is correct

49) Identify wrong statement about Entrance fees.

(a) Is a amount paid by a person at the time of becoming a member (b) Is a income of Not-for-profit organisation
(c) It is a revenue receipt of organisation (d) **Is debited to Income and expenditure Account**

50) Choose the incorrect pair.

(a) **Sale of old sports materials - Capital receipt** (b) General donation - Revenue receipt
(c) Subscription for billiards - Revenue receipt (d) Specific donation Capital receipt