

UNIT 2

ACCOUNTS OF NOT-FOR-PROFIT ORGANISATION

MULTIPLE CHOICE QUESTIONS

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CHOOSE THE CORRECT ANSWER

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 ` 100 as annual subscription. Subscription due but not received for the current year is ` 200; Subscription received in advance is ` 300. Find out the amount of subscription to be shown in the income and expenditure account.

- a) 50,000 b) 50,200 c) 49,900 d) 49,800

