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

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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

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