

QUICK DRILL · CBSE CLASS 12

Accounting for Not-for-Profit Organisation

Accountancy · Chapter 1 · 15 MCQs · 20 minutes · PYQ-tagged with time budgets

DATE	TOTAL MARKS 15	DURATION 20 min	MARKING +1 / 0	TARGET ≥ 12/15
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OBJECTIVES

Reinforce the four core topics of Accounting for Not-for-Profit Organisation via 15 PYQ-derived MCQs. Identify weak sub-topics via concept-node IDs (see answer key). Build per-question time budget habit.

INSTRUCTIONS

Attempt all 15. Time budget shown per Q (use it as pacing guide). Mark answers (A/B/C/D) in the margin. Answer key + explanations on the last page. **Don't peek — score yourself honestly.**

SECTION · QUICK DRILL

Q 1-15 · 20 MIN

Q1. R&P Account is prepared on:

- (A) Accrual basis (B) Cash basis
(C) Hybrid basis (D) Mercantile basis

PYQ 2018 · Delhi · 1m · 25s

Q2. I&E Account is prepared on:

- (A) Cash basis (B) Accrual basis
(C) Receipt basis (D) Payment basis

PYQ 2019 · All India · 1m · 25s

Q3. Life membership fee should be:

- (A) Credited to I&E in full (B) Added to Capital Fund
(C) Spread over 10 years (D) Debited to I&E

PYQ 2022 · Delhi · 1m · 25s

Q4. Legacy received by an NPO is:

- (A) Revenue receipt → I&E (B) Capital receipt → B/S
(C) Liability (D) Expense

PYQ 2020 · Delhi · 1m · 25s

Q5. Stationery consumed = Opening + Purchases – Closing. If opening = 2k, purchases = 5k, closing = 1.5k, consumed:

- (A) 3,500 (B) 5,500
(C) 6,500 (D) 8,500

PYQ 2018 · Outside Delhi · 1m · 40s

Q6. Surplus in I&E is:

- (A) Distributed to members (B) Transferred to Capital Fund
(C) Shown as liability (D) Refunded

PYQ 2019 · Delhi · 1m · 25s

Q7. A donation specifically for building construction is:

- (A) Revenue receipt → I&E (B) Capital receipt → Building Fund
(C) Liability (D) Loan

PYQ 2023 · All India · 1m · 30s

Q8. Subscription received in advance is:

- (A) Asset
- (C) Income

PYQ 2022 · All India · 1m · 30s

- (B) Liability (income received in advance)
- (D) Expense

Q9. Outstanding subscription at year-end is:

- (A) Asset on B/S
- (C) Income

PYQ 2020 · Outside Delhi · 1m · 30s

- (B) Liability
- (D) Loss

Q10. Opening Capital Fund of an NPO equals:

- (A) Closing cash
- (C) Total expenses

PYQ 2019 · All India · 1m · 30s

- (B) Opening Assets – Opening Liabilities
- (D) Total income

Q11. Purchase of furniture during the year is:

- (A) Revenue expenditure
- (C) Liability

PYQ 2024 · Delhi · 1m · 25s

- (B) Capital expenditure (asset)
- (D) Reduction of capital fund

Q12. Depreciation on fixed assets in NPO accounting:

- (A) Capital expense
- (C) Asset

PYQ 2023 · Delhi · 1m · 25s

- (B) Revenue expense → I&E
- (D) Ignored

Q13. General donation of ₹500 received is treated as:

- (A) Capital → B/S
- (C) Liability

PYQ 2022 · Outside Delhi · 1m · 30s

- (B) Revenue → I&E credit
- (D) Loan

Q14. From R&P: subscription received ₹80,000. O/S start ₹4k, O/S end ₹6k. Advance start ₹2k, advance end ₹3k. Subscription credited to I&E:

- (A) 79,000
- (C) 83,000

PYQ 2020 · Delhi · 1m · 60s

- (B) 81,000
- (D) 77,000

Q15. In the I&E Account, the balancing figure on the debit side (when income > expense) is:

- (A) Deficit
- (C) Loss

PYQ 2024 · All India · 1m · 30s

- (B) Surplus
- (D) Net profit

ANSWER KEY & EXPLANATIONS

Q 1-15 · MARK YOUR SCORE

Q1. Answer: B

Records actual cash + bank receipts and payments.

Q2. Answer: B

Income earned vs expense incurred for the period.

Q3. Answer: B

Capital receipt → Balance Sheet liabilities (Capital Fund).

Q4. Answer: B

Donation under a will — capital nature.

Q5. Answer: B

$2,000 + 5,000 - 1,500 = 5,500$.

Q6. Answer: B

Added to Capital Fund (closing).

Q7. Answer: B

Specific-purpose donation → Building Fund on B/S.

Q8. Answer: B

Cash received but not yet earned → liability on B/S.

Q9. Answer: A

Income earned but not yet received → asset.

Q10. Answer: B

Capital Fund = net worth = Assets – Liabilities at start.

Q11. Answer: B

Asset purchase — adds to fixed assets on B/S.

Q12. Answer: B

Depreciation is a revenue expense → debit I&E.

Q13. Answer: B

Small recurring general donations are revenue.

Q14. Answer: B

Subscription credited to Income & Expenditure = received + O/S at end + advance at start – O/S at start – advance at end = $80 + 6 + 2 - 4 - 3 = ₹81,000$ → option B.

Q15. Answer: B

Income > Expense ⇒ Surplus, shown on debit side as balancing figure.