



ACCOUNTANCY · CHAPTER 1

Accounting for Not-for-Profit Organisation

A 1-page guide for parents · 90-second read.

EXPECTED MARKS

8-10 out of 12 on this chapter's questions. Below 6 is a flashing red light.

TIME TO MASTER

15-20 hrs

HELPLINE

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WHAT THIS CHAPTER IS, IN PLAIN ENGLISH

Your child is learning how organisations that are NOT in business for profit (schools, hospitals, clubs, NGOs, religious trusts) keep their accounts. These organisations don't have 'profit' but 'surplus'. They prepare three statements: Receipts and Payments Account (cash summary), Income and Expenditure Account (accrual income vs expense), and Balance Sheet. The 8-mark question requiring all three is the most reliable big-mark gift in the entire Accountancy paper — your child can earn 30% of the paper's marks if they master this chapter alone.

5 QUESTIONS TO ASK YOUR CHILD

- Difference between R&P Account and I&E Account?
- How do you calculate subscriptions to be credited to I&E when there are outstanding + advance items?
- Where does life membership fee go — I&E or Balance Sheet?
- What's the difference between 'capital fund' and 'specific fund'?
- What does 'surplus' mean and where does it go at year-end?

WEAK-SPOT INDICATORS

- Cannot prepare a basic I&E + B/S in 20 minutes.
- Includes capital items (life membership, legacy) in I&E.
- Cannot do subscription calculation in 3 minutes.
- Forgets depreciation on fixed assets.
- Doesn't transfer surplus to capital fund.

WHEN TO WORRY — AND WHAT TO DO

If your child loses 5+ marks on the 8-mark question, they will likely score below 60% in Accountancy. This chapter is the SINGLE highest-yield in the subject. Daily practice of one full problem for 2 weeks is the proven fix.

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