From the following Receipts and Payments account of a Kovur Hospital for the year ending 31st Dec, 2002 prepare an Income and Expenditure account and Balance Sheet as at the date.

Receipts and Payments Account of Kovur College for the year ended 31st December, 2000

Receipts	Amount	Payments	Amount
To Cash in hand	3,565	By Medicine	15,295
To subscriptions	23,998	By Doctors honorarium	4,500
To Donations	7,250	By Salaries	13,750
To Interest on Investments @7%	3,500	By Petty expenses	230
To Proceeds from charity	5,225	By Equipment	7,500
		By Expenses on charity show	375
		By Cash in hand	1,888
	43,538		43,538

Additional Information

	.1-1-2000	.31-12-2000
1.Subsriptions due	120	140
2.Subscriptions received in advance	32	55
3.Stock of medicines	4,405	4,870
4.Estimated value of equipment	10,600	15,800
5.Buildings(Cost less depreciation)	20,000	19,000

To arrive at Capital Fund in the beginning – Balance sheet at the beginning has to be prepared
The balance sheet items for the opening Balance sheet are identified. Rs.3,500 is shown as 7% interest on investments
Hence the investments must have been Rs.50,000 ((3,500 / 7) x 100)

Receipts and Payments Account of Kovur Hospital for the year ended 31st December, 2000

Receipts	Amount	Payments	Amount
To Cash in hand	3,565	By Medicine	15,295
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Balance sheet of Kovur Hospital as on 1-1-2000

Liabilities	Amount	Assets	Amount
		3.Stock of medicines	4,405
		4.Estimated value of equipment	10,600
		5.Buildings(Cost less depreciation)	20,000

Balance sheet of Kovur Hospital as on 1-1-2000

Liabilities	Amount	Assets	Amount
		3.Stock of medicines	4,405
		4.Estimated value of equipment	10,600
		5.Buildings(Cost less depreciation)	20,000
		Investments	50,000
		To Cash in hand	3,565

Balance sheet of Kovur Hospital as on 1-1-2000

Liabilities	Amount	Assets	Amount
2.Subscriptions received in advance	32	3.Stock of medicines	4,405
		4.Estimated value of equipment	10,600
		5.Buildings(Cost less depreciation)	20,000
		Investments	50,000
		To Cash in hand	3,565
		1.Subsriptions due	120

Balance sheet of Kovur Hospital as on 1-1-2000

Liabilities	Amount	Assets	Amount
2.Subscriptions received in advance	32	3.Stock of medicines	4,405
		4.Estimated value of equipment	10,600
		5.Buildings(Cost less depreciation)	20,000
Capital Fund	88,658	Investments	50,000
(88,690 – 32)		To Cash in hand	3,565
		1.Subsriptions due	120
			88,690

Balance sheet of Kovur Hospital as on 1-1-2000

Liabilities	**Amount**	**Assets**	**Amount**
Subscriptions received in advance	32	Buildings	20,000
		Equipment	10,600
		Stock of medicines	4,405
Capital Fund	88,658	Investments	50,000
(Balancing figure)		Cash in hand	3,565
		Subscriptions due	120
	88,690		88,690

From the following Receipts and Payments account of a Kovur Hospital for the year ending 31st Dec, 2002 prepare an Income and Expenditure account and Balance Sheet as at the date.

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Receipts and payments a/c is prepared on cash basis which is useful only to ascertain cash in hand at the beginning and Cash in hand at the end. No distinction is made between Revenue accounts and capital accounts or amounts pertaining for a Specific period as in accrual system of accounting. Hence **Income and Expenditure account** is prepared to segregate revenue Items from Capital items and also to ascertain amounts pertaining to a specific period whether received or not as in accrual System of accounting. **It is similar to profit and loss a/c of trading concerns**

To ascertain amounts pertaining for a Specific period following accrual system of accounting:-

Working note:-

1) Subsriptions:-

Subscriptions amount received	23,998
Less: Amounts due of previous year (1999)	
And amounts received in advance (2001)	175
(120 + 55 = 175)	23,823
Add: Amounts due for current year(2000)	
And amounts received in advance (1999)	172
(140 + 32 = 172)	23,995

From the following Receipts and Payments account of a Kovur Hospital for the year ending 31st Dec, 2002 prepare an Income and Expenditure account and Balance Sheet as at the date.

Receipts and Payments Account of Kovur Hospital for the year ended 31st December, 2000

Receipts	Amount	Payments	Amount
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Additional Information

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To ascertain amounts pertaining for a Specific period following accrual system of accounting:-

Working note:-

1) Subsriptions:-		**2) Stock of medicines :-**	
Subscriptions amount received	23,998	Opening Stock(1-1-2000)	4,405
Less: Amounts due of previous year (1999)		**Add:** Purchases made during the year	15,295
And amounts received in advance (2001)	175		19,700
(120 + 55 = 175)	23,823	**Less**: Stock remaining at the end of year	4,870
Add: Amounts due for current year(2000)		Medicines used for this year	14,830
And amounts received in advance (1999)	172		
(140 + 32 = 172)	23,995		

Receipts and payments a/c is prepared on cash basis which is useful only to ascertain cash in hand at the beginning and Cash in hand at the end. No distinction is made between Revenue accounts and capital accounts or amounts pertaining for a Specific period as in accrual system of accounting. Hence **Income and Expenditure account** is prepared to segregate revenue Items from Capital items and also to ascertain amounts pertaining to a specific period whether received or not as in accrual System of accounting. **It is similar to profit and loss a/c of trading concerns**

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Less: Amounts due of previous year (1999)	
And amounts received in advance (2001)	175
(120 + 55 = 175)	23,823
Add: Amounts due for current year(2000)	
And amounts received in advance (1999)	172
(140 + 32 = 172)	23,995

2) Stock of medicines :-	
Opening Stock(1-1-2000)	4,405
Add: Purchases made during the year	15,295
	19,700
Less: Stock remaining at the end of year	4,870
Medicines used for this year	14,830

3) Depreciation on equipment:-	
Equipment on 1-1-2000	10,600
Add: Additions during the year	7,500
	18,100
Less: Equipment on 31-12-2000	15,800
Depreciation provided for this year	2,300

From the following Receipts and Payments account of a Kovur Hospital for the year ending 31^{st} Dec, 2002 prepare an Income and Expenditure account and Balance Sheet as at the date.

Receipts and Payments Account of Kovur College for the year ended 31^{st} December, 2000

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To Proceeds from charity	5,225	By Equipment	7,500
		By Expenses on charity show	375
		By Cash in hand	1,888
	43,538		43,538

Additional Information

	.1-1-2000	.31-12-2000
1.Subsriptions due	120	140
2.Subscriptions received in advance	32	55
3.Stock of medicines	4,405	4,870
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To ascertain amounts pertaining for a Specific period following accrual system of accounting:-

Working note:-

1) Subsriptions:-		**2) Stock of medicines :-**	
Subscriptions amount received	23,998	Opening Stock(1-1-2000)	4,405
Less: Amounts due of previous year (1999)		**Add:** Purchases made during the year	15,295
And amounts received in advance (2001)	175		19,700
(120 + 55 = 175)	23,823	**Less**: Stock remaining at the end of year	4,870
Add: Amounts due for current year(2000)		Medicines used for this year	14,830
And amounts received in advance (1999)	172	**3) Depreciation on equipment:-**	
(140 + 32 = 172)	23,995	Equipment on 1-1-2000	10,600
4) Depreciation on Buildings		**Add:** Additions during the year	7,500
Cost of Building on 1-1-2000	20,000		18,100
Less Cost of Building on 31-12-2000	19,000	**Less:** Equipment on 31-12-2000	15,800
Depreciation provided for this year	1,000	Depreciation provided for this year	2,300

To prepare Income & Expenditure a/c from Receipts and payments a/c only revenue items are taken with adjusted amounts Pertaining only for this period

Receipts and Payments Account of Kovur Hospital for the year ended 31st December, 2000

Receipts	Amount	Payments	Amount
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		By Expenses on charity show	375
		By Cash in hand	1,888
	43,538		43,538

Income and Expenditure Account of Kovur Hospital for the year ended 31st December, 2000

Expenditure	Amount	Income	Amount
		By subscriptions *1	23,995
		By Donations	7,250
		By Interest on Investments @7%	3,500
		By Proceeds from charity	4,850
		(5,225 – 375)	

To prepare Income & Expenditure a/c from Receipts and payments a/c only revenue items are taken with adjusted amounts Pertaining only for this period

Receipts and Payments Account of Kovur Hospital for the year ended 31st December, 2000

Receipts	**Amount**	**Payments**	**Amount**
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		By Cash in hand	1,888
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Income and Expenditure Account of Kovur Hospital for the year ended 31st December, 2000

Expenditure	**Amount**	**Income**	**Amount**
To cost of Medicine*	14,830	**By** subscriptions *1	23,995
To Doctors honorarium	4,500	By Donations	7,250
To Salaries	13,750	By Interest on Investments @7%	3,500
To Petty expenses	230	By Proceeds from charity	4,850
		(5,225 – 375)	

To prepare Income & Expenditure a/c from Receipts and payments a/c only revenue items are taken with adjusted amounts Pertaining only for this period

Receipts and Payments Account of Kovur Hospital for the year ended 31st December, 2000

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To Petty expenses	230	By Proceeds from charity	4,850
To Depreciation(Equipment+Building)*	3,300	(5,225 – 375)	

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To Doctors honorarium	4,500	By Donations	7,250
To Salaries	13,750	By Interest on Investments @7%	3,500
To Petty expenses	230	By Proceeds from charity	4,850
To Depreciation(Equipment+Building)* (2,300 + 1,000)	3,300	(5,225 – 375)	
To Surplus (Balancing Figure)	2,985		
	39,595		39,595

Balance sheet of Kovur Hospital as on 1-1-2000

Liabilities	Amount	Assets	Amount
Subscriptions received in advance	32	Buildings	20,000
		Equipment	10,600
		Stock of medicines	4,405
Capital Fund	88,658	Investments	50,000
(Balancing figure)		Cash in hand	3,565
		Subscriptions due	120
	88,690		88,690

To prepare Balance sheet at the year end i.e., as on 31-12-2000 we need to use the closing balances and also show the changes Between opening and closing balances

Additional Information

	.1-1-2000	.31-12-2000
1.Subsriptions due	120	140
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		Equipment	10,600	15,800
		Stock of medicines	4,405	4,870
Capital Fund	88,658	Investments	50,000	No change
(Balancing figure)	+(Surplus)	Cash in hand	3,565	1,888
		Subscriptions due	120	140
	88,690		88,690	

To prepare Balance sheet at the year end i.e., as on 31-12-2000 we need to use the closing balances and also show the changes Between opening and closing balances

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To prepare Balance sheet at the year end i.e., as on 31-12-2000 we need to use the closing balances and also show the changes

Between opening and closing balances

Balance sheet of Kovur Hospital as on 1-1-2000

Liabilities	**Amount**	**Assets**	**Amount**	
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		Stock of medicines	4,405	4,870
Capital Fund	88,658	Investments	50,000	No change
(Balancing figure)	+(Surplus)	Cash in hand	3,565	1,888
		Subscriptions due	120	140
	88,690		88,690	

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Balance sheet of Kovur Hospital as on 1-1-2000

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		Equipment		10,600	15,800
		Stock of medicines		4,405	4,870
Capital Fund	88,658	Investments		50,000	No change
(Balancing figure)	+(Surplus)	Cash in hand		3,565	1,888
		Subscriptions due		120	140
	88,690			88,690	

To prepare Balance sheet at the year end i.e., as on 31-12-2000 we need to use the closing balances and also show the changes Between opening and closing balances

Balance sheet of Kovur Hospital as on 1-1-2000

Liabilities	Amount	Assets		Amount	
Subscriptions received in advance	32 (55)	Buildings	20,000		
		Less: Depreciation	1,000	19000	
		Equipment	10,600		15,800
		Add: Additions during the year	7,500		
		`	18,100		
		Less: Depreciation	2,300	15,800	
		Stock of medicines		4,405	4,870
Capital Fund	88,658	Investments		50,000	No change
(Balancing figure)	+(Surplus)	Cash in hand		3,565	1,888
		Subscriptions due		120	140
	88,690			88,690	

To prepare Balance sheet at the year end i.e., as on 31-12-2000 we need to use the closing balances and also show the changes Between opening and closing balances

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		Less: Depreciation	1,000	19000	
		Equipment	10,600		
		Add: Additions during the year	7,500		
		`	18,100		
		Less: Depreciation	2,300	15,800	
		Stock of medicines		4870	
Capital Fund	88,658	Investments		50,000	No change
(Balancing figure)	+(Surplus)	Cash in hand		3,565	1,888
		Subscriptions due		120	140
	88,690			88,690	

To prepare Balance sheet at the year end i.e., as on 31-12-2000 we need to use the closing balances and also show the changes Between opening and closing balances

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Liabilities	Amount	Assets		Amount
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		Equipment	10,600	
		Add: Additions during the year	7,500	
		`	18,100	
		Less: Depreciation	2,300	15,800
		Stock of medicines		4870
Capital Fund	88,658	Investments		50,000
(Balancing figure)	+(Surplus)	Cash in hand		1,888
		Subscriptions due		140
	88,690			91,698

To prepare Balance sheet at the year end i.e., as on 31-12-2000 we need to use the closing balances and also show the changes Between opening and closing balances

Balance sheet of Kovur Hospital as on 1-1-2000

Liabilities		Amount	Assets		Amount
Subscriptions received in advance		55	Buildings	20,000	
			Less: Depreciation	1,000	19,000
			Equipment	10,600	
			Add: Additions during the year	7,500	
			`	18,100	
			Less: Depreciation	2,300	15,800
			Stock of medicines		4870
Capital Fund	88,658		Investments		50,000
Add: Surplus	2,985		Cash in hand		1,888
			Subscriptions due		140
					91,698

To prepare Balance sheet at the year end i.e., as on 31-12-2000 we need to use the closing balances and also show the changes Between opening and closing balances

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			Equipment	10,600	
			Add: Additions during the year	7,500	
				18,100	
			Less: Depreciation	2,300	15,800
			Stock of medicines		4870
Capital Fund	88,658		Investments		50,000
Add: Surplus	2,985	91,643	Cash in hand		1,888
			Subscriptions due		140
		91,698			91,698

Balance sheet of Kovur Hospital as on 31-12-2000

Liabilities		Amount	Assets		Amount
Subscriptions received in advance		55	Buildings	20,000	
			Less: Depreciation	1,000	19,000
			Equipment	10,600	
			Add: Additions during the year	7,500	
			`	18,100	
			Less: Depreciation	2,300	15,800
			Stock of medicines		4870
Capital Fund	88,658		Investments		50,000
Add: Surplus	2,985	91,643	Cash in hand		1,888
			Subscriptions due		140
		91,698			91,698