

THEME: ACCOUNTS OF NON PROFIT ORGANIZATION

DATE:

CLASS:

TIME:

DURATION:

SUBJECT: ACCOUNTING

UNIT TOPIC: ACCOUNTS OF NON PROFIT ORGANIZATION

LESSON TOPIC: Preparation of Accounted fund Statement, Income & Expenditure, Balance Sheet

BEHAVOURAL OBJECTIVE: At the end of the lesson the students should be able to

- A. Interpret transaction of non-profit organization
- B. Prepare a statement of accumulated funds.
- C. Prepare an income and expenditure account of non-profit organization
- D. Prepare balance sheet of non-profit organization.

INSTRUCTIONAL RESOURCES: Past week question will be consulted and used in the course of this lesson as aid for better understanding.

PRESENTATION: The teacher shall present the lesson as follows.

STEP1: IDENTIFICATION OF PRIOR IDEAS

MODE: ENTIRE CLASS

TEACHERS ACTIVITIES: The teacher guide the students into the lesson by asking them to

- A. Define, state features and sources of income of non-profit organization
- B. Explain the steps in computing the final accounts of non-profit organization
- C. Explain the contents of receipts and payment account format
- D. Explain the contents of income and expenditure accounts format.

STUDENTS ACTIVITIES: The students respond by answering all of the above question.

STEP2: EXPLORATION

MODE: ENTIRE CLASS

TEACHERS ACTIVITIES: The teacher shall guide and lead the students through the interpretation of accounts/transactions of non-profit organization.

STUDENTS ACTIVITIES: The students should respond by identifying some features of income and expenditure account from the transactions.

STEP3: DISCUSSION 1

MODE: ENTIRE CLASS

TEACHERS ACTIVITIES: The teacher shall lead the students through an interpretation of transaction of non-profit organization.

ILLUSTRATION: Accounting past question 2003, Question 8

The following is a summary of the cash book of Agubiko Community Club

₦		₦	
Balance 1/4/2001	23,700	Staff wages	66,900
Members subscription	178,600	Bar supplies	252,000
Entrance fee	16,000	Rent for 18 months to 30/6/2002	36,000
Book keeping	284,000	Lakes	14,000
Competition receipts	38,200	Secretary salary	15,600
Sundry receipts	400	Electricity and telephone	68,500
		Competition prizes	18,500
		Deposit with Onyi. Community Bank	40,000
		Balance 31/3/2002	29,400
	540,900		540,900

Additional Information

- A. The assets of the club as at 1st aprt 2001 were ₦
- | | |
|-------------------------|---------|
| Furniture and equipment | 240,000 |
| Bar stocks | 13,000 |
| Price at hand | 4000 |
| Owing for bar supplies | 26000 |
- B. The assets of the club as at 31st march 2002 were ₦
- | | |
|----------------------|--------|
| Bar stock | 15,000 |
| Prises | 2,500 |
| Own for bar supplies | 28,000 |
- C. Subscriptions outstanding as at 31st month, 2002, totalled ₦15,000. Subscription received during the year under review included ₦3,500 in respect of the previous year and ₦2,000 in respect of the year beginning 1st April 2002.
- D. Interest on the deposit with onyi Community Bank for the year 31st March 2002, monthly to ₦ 2,400 had not been received.
- E. Provide for depreciation on furniture and equipment at 10% you are require to prepare.
- F. Statement showing accumulated funds as at 31st April 2001
- G. Income and expenditure account for the year ended 31st March 2002
- H. Balance sheet as at that date.

STEP3: DISCUSSION 2

MODE: ENTIRE CLASS

TEACHERS ACTIVITIES: The teacher shall engage the students by leading them through the preparation of Accumulated funds statement using illustration 1.

Solution AGUBIKO Country Club

Statement of Accumulated funds as at 1st April, 2001.

Furniture and Equipment	N-1N 24,000	
Bar stock		13,000
Prises		4,000
Opening cash		23,700
Debtors for subscription		3,500
		284,200
Less: creditors for bar supplies	26,000	
Accrued rent	6,000	(3200)
		252,200

STEP3: DISCUSSION 3

MODE: ENTIRE CLASS

TEACHERS ACTIVITIES: The teacher shall lead the students through the preparation of income and expenditure Account using illustration from discussion 1

AGUBIKO

Income and Expenditure Account for the year ended 31st March 2002.

Wages	N-66,900	Entrance fees	#16,000
Rents (12months)	24,000	Subscription	178,100
Rates	14,000	Profit from bar trading	32,000
Secretary salary	15,600	Competition receipt	38,200
Electricity and telephone	68,500	Sundry receipts	400
Competition prise (18,500+400-2500)	20,000	Interest on deposit	2,400
Depreciation	24,000		
Excess of income over expenditure (surplus)	34,100		
	267,100		267,100

STEP4: DISCUSSION 4

MODE: ENTIRE CLASS

TEACHERS ACTIVITIES: The teacher lead the students through the preparation of Balance sheet using the illustration in discussion 1.

AGUBIKO

Balance sheet as at 31st March 2002

Accumulated funds	#	# 25,200	Fixed Assets:	#	#
Add: income surplus		34,100	Furniture & Equipment		240,000
		286,300	Depreciation		(24,000)
Liabilities					216,000
Creditors (bar supplies)	28,000				
Subscription in Aduance	2,000	30,000	Current Assets		
			Bar stock	15,000	
			Prices	2,500	
			Cash balance	29,900	
			Deposits (com bank)	40,000	
			Subscription in Arrears	5000	
			Interest receivable	2,400	
			Rent paid	600	100,000
		316300			316,300

STUDENTS ACTIVITIES: The students should respond by working alongside the teacher as he carries on the discussions and make note from the discussion for future reading.

STEP4: APPLICATION

MODE: ENTIRE CLASS

TEACHERS ACTIVITIES: The teacher shall inform the students on the applicable use of this topic as well as the illustration on any social group or club they may belong to within the school or in the various lives outside the school.

STUDENTS ACTIVITIES: The students should respond by taking notes and making some jottings.

STEP5: EVALUATION

MODE: ENTIRE CLASS

TEACHERS ACTIVITIES: The teacher shall conclude the class by asking the students the following questions.

- A. Translate the items of transactions of non-profit organization.
- B. Explain the method of driving Accumulated funds.

- C. Explain two transactions in the receipt and payment account should be entered in the preparation of income and expenditure account.
- D. Explain how balance sheet of non-profit organization differs from final account balance sheet of a sole trader.

ASSIGNMENT:

The teacher shall request that the students go through their notes, make a study of the topic and prepare for their C.A Test.

REFERENCE:

- A. Robert o. Igben 2004, Financial Accounting Made Simple, Roi Publishers.
- B. J.U .Angade; 2015; Accounting Past Questions & Answer; A Johnson. Publishers LTD.