

Section - 3

Q1* write short note:-

(a) Subscription :-> Subscription is the amount paid by the members of Not-for-profit Organisation on periodical basis (monthly, quarterly, half yearly or on yearly basis) so that their membership is not cancelled. There is a recurring source of revenue from its members. It is the main source of revenue of Not-for-profit Organisation so it is credited to Income & Expenditure A/c. and Debited in Receipt & payment A/c.

(b) Price Level change :-> It is a system of maintaining A/c in which all items in financial statement are recorded at ^{current} current value.

"Accounting for price level changes is also called inflation Accounting."

The general tendency changes of goods and services time is called price level changes. The rise in ~~per~~ general price level is known as inflation. during the purchasing power of money declines.

③ Endowment fund :-> Endowment fund arises from a bequest or gift, the income generated from it is utilized for a specific purpose while the original amount is kept intact either for ever or for a specific period. it is shown on the liabilities side of the balance sheet as a separate item.