



**BBA First Year  
Fundamentals of Accounting  
Model Paper I**

**Time- 3 Hours**

**Maximum Marks- 100**

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**Attempt all the questions. All Questions are compulsory, each question carry 20 marks.**

Q1 The following particulars are available of Ganesh export limited

(A) Capital :45000 6% preference share of Rs.100 each , fully paid up

450000 Equity Shares of Rs.10 each fully paid up

(B) External liabilities: Rs.750000

(C) Reserve and surplus: Rs.350000

(D) Average after tax profit earned every year by the company Rs.850500

(E) The normal Return earned on the market value of fully paid equity shares of the same type of is 9% and that of fully paid preference share is 7.5%

Calculate fair value of equity share by assuming that out of the total assets of the company assets worth Rs.350000 are fictitious. Also calculate value of preference shares of this company.

Or

Q2 Explain the method of preparing income and expenditure account from receipt and a payment account?

Q3 The following purchase were made during the year 2015-2016 by a business house having three departments.

Department A-1000 units, Department B-2000 units Department C-2400 units at a total cost 100000 Rs.

Stock on 1<sup>st</sup> April

Department A : 120 units

Department B: 80 units

Department C: 152 units

The sales during 2015-2016 were

Department A: 1020 units at 20 each

Department B: 1920 units at 22.50 each

Department C: 2456 units at 25 each

The rate of gross profits the same in each case . Prepare Departmental Trading account for the year 2015-2016.

OR

Q4 what is meant by forfeiture of shares? Explain the accounting treatment of forfeiture of shares and their reissue?

Q5 X and Y are partners in a firm. The position of their business, as at 31<sup>st</sup> March 2016 stood as follows:

Balance sheet as at 31 <sup>st</sup> March 2016			
Liability	Amount	Assets	Amount
Creditors	34000	Cash	10000
General reserve	50000	Stock	50000
Profit and loss	18000	Debtors	80000
Capital		Development expenses	10000
X :110000		Advertising outlays	35000
Y:83000	193000	Furniture	10000
		Machinery	100000

The above business is intended to be purchased by Z. the assets have been revalued as follows: Stock 55000, Furniture 8000, Machinery 150000. it has been agreed that provision for bad debts on debtors is to be made 5% in future.

The profits of the past five years are like this: 2011-2012 Rs.60000 2012-13 Rs.50000, 2013-14 Rs.30000, 2014-2015 Rs.40000, 2015-16 Rs.65000. depreciation charges on furniture @10% and machinery 15%p.a.

The normal rate of profit on average capital employed is 15%per annum. Ignore income tax. Calculate the amount of goodwill in as many ways you can, according to capitalization method.

Or

Q6 Discuss in detail the concept and convention of accounting?

Q7 The purchase made by a business having three departments were X-3000 units Y-6000units and Z-7200 units at a total cost of Rs.300000. the sales were made as X-3060 units at the rate of Rs.40 each:

5760 units at the rate of 45 each and Z-7488 units at the rate of 50 each. The closing stocks were as X-300 units, Y-480 units and Z-18 units.

Prepare departmental trading account assuming that the rate of gross profit is the same in each case.

OR

Q8 What is meant by “consequential loss policy “which factor does the influence the ascertainment of claim under this policy?

Q9 From the Following particulars ascertain the amount of claim under a loss of profit policy Assume a 10% upward trend in the business.

(A) Indemnity period :6 months and policy value : Rs.60000

(B) Date of fire 1-4-2015 Interruption up to 1-8-2015

(C) Sales for the year 2014 Rs 240000, Net profit for the year 2014 Rs.26000

(D) Standing charges (all Insured) 34000

(E) Sales From 1-4-2014 to 31-3-2015 Rs. 320000 from 1-4-2015 to 1-8-2015 Rs 30000 and from 1-04-2015 to 1-8-2014 Rs.100000

OR

Q10 Explain Cleary the procedure that you would follow to prepare final account from incomplete?



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**Model Paper II**

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Q1JKP limited has outstanding 1000 9 % debenture of Rs100 each a on 1 april 2015 As per the terms of the issue of debenture the company had the option to purchase its own debentures from the open market for their immediate cancellation .company exercised its option by purchase of own debenture as under

June 30, 2015 200 debenture at Rs.97 cum- interest

January 1,2016 500 debenture at 102 cum- interest

February 12016 150 Debenture at Rs. 98.50 ex – Interest

Debenture interest was payable half yearly on 30<sup>th</sup> Sep and 31<sup>st</sup> march each year. Show the journal entries in the books of the company. The company closes its book of accounts on 31March each year.

OR

Q2 what do you mean by the terms Principles and postulated of accounting/ Explain the difference between two?

Q 3Chkki Ltd issued a prospectus inviting application for 300000 shares of Rs 10 each at a premium of Rs 4 per share payable as follows:

On Application Rs 4 (including Rs.1 premium)

On Allotment Rs 3(including Rs.1 premium)

On first call Rs 4 (including Rs.1 premium)

On second and final call Rs.3 (including Rs.1 premium)

Application were received for 380000 shares and prorata allotment was made on the application for 350000 shares. It was decided to utilize excess application money towards the sums due on allotment.

X to whom 6000 shares were allotted failed to pay the allotment money and his shares were forfeited after allotment.

Y , who applied for 10500 shares failed to pay the two calls and on his such failure his share forfeited.

Z was allotted 3000 shares did not pay the final call.

Of the shares forfeited 11000 shares were reissued as fully [paid up for Rs 9 per share the whole Y shares being included. Prepare cash book, journal and show the relevant items in the balance sheet.

Or

Q 4 what is self balancing system? List out its advantage?

Q5 the receipts and payment account and income and expenditure account of Krishna library for the year ending 31 March 2016 are as follows

Receipt and payment for the year ended 31st march

To balance B/d	7000	By books purchased	15000
To subscription		By printing and stationery	1500
2014-2015	4000	By salaries	12500
2015-2016	35000	By advertisement	1000
2016-2017	3000	42000 By miscellaneous	3200
To interest	4000	By insurance	1500
To donation to special Fund	1500	By Balance C/F	23700
To Rent			
2015-2016	2600		
2016-2017	1300	3900	
		58400	58400

Income and expenditure Account for the year ended 31 March 2016

To insurance	1200	By interest	3800
To salaries	13000	By subscriptions	38000
To misc. exp	3200	By rent	2600
To depreciation on	7500		

building

To printing and stationery	1500
To advertisement	1200
To excess of income over expenditure	16800
	44400

On enquiry you were told that the library assets as on 1.4.2015 included the following

Building 170000 Rs. Books 150000 Rs, Furniture Rs 1000 and Investment Rs.50000

There were no liabilities on that date.

You are asked to prepare the balance sheet of Krishna library as on 1.4.2015 and 31.03.2016

OR

Q6 What is meant by “consequential loss policy “which factor does the influence the ascertainment of claim under this policy?

Q7 From the Following information calculate the consequential losses

1 Financial year ends on 31 March

2 Fire occurs on December 1 Following

3 Period of disruption: Dec 1 to March 31

4 period of indemnity: 6 months

5 net profit for previous financial year: 20000 Rs

6 insured standing charges: 30000 Rs

7 uninsured standing charges: 6000 Rs

8 Increase in the cost of working: 4200 Rs

9 Saving in insured standing charges: 1200 Rs.

10 Reduced turnover avoided through increased cost of working Rs10000

11 Special Circumstance Clause stipulated

(a) Increase in turnover (standard and annual )20%

(b) Increase in rate of gross profit :5%

12 Turnover for the four months

	31 July	30 Nov	31 March
I	40000	90000	70000
II	60000	110000	20000

13. Sum insured: 64800 Rs.

Or

Q8 What is buy back of share? State various provision and guidelines regarding this aspect?

Q9 what is the accounting of issue of debenture. Give journal entries and state how debentures are shown in the company balance sheet?

Or

Q10 The purchase made by a business having three departments were X-3000 units Y-6000units and Z-7200 units at a total cost of Rs.300000. the sales were made as X-3060 units at the rate of Rs.40 each: 5760 units at the rate of 45 each and Z-7488 units at the rate of 50 each. The closing stocks were as X-300 units, Y-480 units and Z-18 units.

Prepare departmental trading account assuming that the rate of gross profit is the same in each case.