

HERAMB COACHING CLASSES

Yogeshwar Towers, Katemanivali, Kalyan (East)

SYBCOM/BOOK KEEPING/30 Marks

Duration: 1:00 Hr.

Date: 28/04/2017

Q.1. Calculate goodwill at 3 years purchase of average profits of the past five years:

Years	Profits	Years	Profits
2009	1,20,000	2012	1,40,000
2010	1,30,000	2013	1,60,000
2011	1,50,000		

Q.2. Shiva, Sambha and Rama carrying on the business in partnership. Goodwill of the firm is to be valued at 3 years purchase of average profits of last 6 years.

Rs.21000	Rs.54,000
Rs.44,000	Rs.80,000
Rs.7000 (loss)	Rs.1,20,000

You are asked to calculate the amount of goodwill of the firm.

Q.3. Calculate the value of goodwill of the firm from the following information:

- Total Capital Employed in the business Rs.4,00,000
- Net profit of the firm for the past 3 years was Rs1,07,600; Rs.90,600; Rs.1,12,700.
- Normal Rate of Return at 10%.
- Goodwill is to be valued at 3 years purchase of Super profit.

Q.4. Net profits of Suchak Trading Co. after providing taxation for the past five years were:

2001-02	1,60,000	2004-05	2,10,000
2002-03	1,70,000	2005-06	2,36,000
2003-04	1,84,000		

Capital employed in the business is Rs.8,00,000. The normal rate of return expected in this type of industry is 10% p.a. Calculate the value of goodwill at two times of super profit.

Q.5. The following is the Balance Sheet of Kantilal and Chandrakant as on 31.3. 2005:

Liabilities		Rs.	Assets		Rs.
<u>Capitals:</u>				Machinery	1,00,000
Kantilal	1,80,000			Building	82,000
Chandrakant	<u>1,40,000</u>	3,20,000		Investments	60,000
Reserve fund		88,000		Debtors	1,72,000
Creditors		76,000		Bank	70,000
		4,84,000			4,84,000

The net profits of the firm for the years ended 31st march were:

2001-02 Rs.30,000 2002-03 Rs.50,000 2003-04 Rs.52,000

Ascertain the value of goodwill at two years purchase of the super profits for 3 years taking Normal Rate of Return on capital employed as 10%.

Q.6. The following is the balance sheet of Snehal and Minal:

Liabilities		Rs.	Assets		Rs.
<u>Capitals:</u>				Land and Building	5,40,000
Snehal	3,00,000			Furniture	2,00,000
Minal	4,00,000			Stock	55,000
Reserve Fund	62,000			Sundry Debtors	25,000
Sundry Creditors	50,000			Cash	20,000
Bills Payable	58,000			Prepaid Advertisement	30,000
		8,70,000			8,70,000

Profits of the firm for the last three years were Rs.1,10,000, Rs.1,30,000 and Rs.1,50,000. Normal Rate of Return on capital employed is 10% p.a. You are required to find out the value of goodwill at 3 ½ years purchase of super profit for the last 3 years.