

**HERAMB COACHING CLASSES**

Yogeshwar Towers, Katemanivali, Kalyan (East)

Date: 11/05/17

**XII/Book Keeping****Marks: 30****Duration: 1 Hour**

Q.1. A firm gives information as under so as to ascertain goodwill twice the average profits of the last five years:

Years	Profits	Years	Profits
1990-91	74,000	1993-94	72,000
1991-92	60,000	1994-95	90,000
1992-93	54,000		

Q.2. The capital investment of a business concern is Rs.1,00,000 and the normal profit return in the business is assumed at 20% on the invested capital. The average profit earned by the firm for the current year is Rs.25,000. Calculate goodwill as per super profits method.

Q.3. The following is the Balance Sheet of M/s Kothari as on 31.12.94:

Liabilities	Rs.	Assets	Rs.
Capitals:		Land & Building	18,000
Kailash	82,000	Plant	27,000
Vallabh	<u>20,000</u>	Furniture	15,000
Creditors	19,020	Stock	13,425
		Bank	37,995
		Debtors	9,600
	1,21,020		1,21,020

Following were net profits for the last 3 years:

Year	I	II	III
Profits	15,240	17,535	20,775

You are required to value the goodwill of the above business at 2 years purchase of Super Profit taking into account the fact that the standard rate of return on capital employed in such business is 10%.

Q.4. The Balance Sheet of Sharma Enterprises as on 31.3.95 is as follows:

Liabilities	Rs.	Assets	Rs.
Capital	3,28,000	Land & Buildings	72,000
Reserves	80,000	Plant	1,08,000
Creditors	76,080	Investments	60,000
		Stock	53,700
		Bank	1,51,980
		Debtors	38,400
	4,84,080		4,84,080

The following were the net profits for the last 3 years:

31.3.93	Rs.64,700	31.3.94	Rs.73,800	31.3.95	Rs.86,800
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For selling his business, goodwill is to be valued on the basis of 2 years purchase of Super Profits of 3 years. The Normal Rate of Return is 10%. Find the value of goodwill.

Q.5. Mona, Reena and Sona have been carrying on partnership business and the goodwill of their firm is to be valued at 3 years purchase of the Average Profit for the last 5 years.

The profits and losses for the last five years have been: Profit Rs.16,000; Profit Rs.15,000; Loss Rs.8,000; Profit Rs.10,000; Profit Rs.7,000.

Calculate the goodwill of the firm.

Q.6.. The profit of a firm for the 4 years from 1992 to 1995 were: Rs.40,000; Rs.45,000; Rs.55,000; and Rs.53,000. Calculate the goodwill of the firm at 2 ½ years purchase of the average profit for the last 3 years.