

Delhi Public School, Jammu
Subject: Accountancy
Class: XII

Q. 1 Amen purchased B's business with effect from 1st April 2019. It was agreed that the firm's goodwill will be valued at two year's purchase of average normal profit of the last three years. Profits of B business for last three years ended 31st March were:-

2017: Rs. 1,00,000 (including an abnormal gain of Rs. 10,000)

2018: Rs. 1,10,000 (after charging an abnormal loss of Rs. 20,000)

2019: Rs. 85,000 (including interest of 5,000 from non-trade investment)

Calculate value of the firm's goodwill. (3)

Q2. Profits of the firm for the last 5 years were:-

Year ended	31 st March 2015	31 st March 2016	31 st March 2017	31 st March 2018	31 st March 2019
Profits	40,000	48,000	60,000	50,000	36,000

Calculate the value of goodwill on the basis of three year's purchase of the weighted average profit after assigning weights 1, 2, 3, 4 and 5 respectively to the profits for the year ended 31st March 2015, 16, 17, 18 and 19. (3)

Q. 3 A Ltd. acquired the business of S for the purchase consideration of Rs. 5,00,000 payable by cheque. The assets acquired and liabilities taken over are:-

Assets	Rs.	Liabilities	Rs.
Furniture	10,000	Creditors	5,20,000
Inventory	7,50,000	Salaries payable	75,000
Debtors	1,50,000	Outstanding Expenses	15,000

Pass the journal entry. (3)

Q. 4. If Average Capital Employed in a firm is ₹ 9,00,000; Average Profits ₹ 2,80,000 and Normal rate of return is 20%, then value of goodwill as per capitalization of super profits is:

1. ₹ 1,24,000

2. ₹ 5,00,000

3. ₹ 45,00,000

4. More than one of the above (1)