

| Q11 | <p>The profits earned by a firm during the last 4 years are as follows:</p> <table border="1" data-bbox="175 226 941 420"> <thead> <tr> <th>Years</th> <th>Amount (in Rs.)</th> <th>Profit / Loss</th> </tr> </thead> <tbody> <tr> <td>2008</td> <td>1,30,000</td> <td>(Profit)</td> </tr> <tr> <td>2009</td> <td>1,70,000</td> <td>(Profit)</td> </tr> <tr> <td>2010</td> <td>20,000</td> <td>(Loss)</td> </tr> <tr> <td>2011</td> <td>1,40,000</td> <td>(Profit)</td> </tr> </tbody> </table> <p>The capital invested in the firm is Rs.10,00,000. Normal rate of return in the similar business is 10% per annum. Calculate the value of Goodwill on the basis of 2 years purchase of the super profit earned.</p> | Years | Amount (in Rs.) | Profit / Loss | 2008 | 1,30,000 | (Profit) | 2009 | 1,70,000 | (Profit) | 2010 | 20,000 | (Loss) | 2011 | 1,40,000 | (Profit) | 5 | CO3 | | | | | | | | | | | | | | | | | | | |
|--|--|--------------------------------------|-----------------|--|----------|-----------------|----------|--------|----------|----------------|----------|-----------|----------|----------------|----------|--------------|------------------|---------------|--|----------|----------|-------|----------|----------|--------|-------|----------|---------|----------|------|----------|--------------------|----------|--------------|------------------|---|-----|
| Years | Amount (in Rs.) | Profit / Loss | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2008 | 1,30,000 | (Profit) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2009 | 1,70,000 | (Profit) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2010 | 20,000 | (Loss) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2011 | 1,40,000 | (Profit) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q12 | Explain the factors affecting the goodwill of the firm. | 5 | CO2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q13 | <p>Find out the value of each equity share from the following data:-</p> <table border="0" data-bbox="175 638 1055 1260"> <tr> <td colspan="2">Liabilities</td> </tr> <tr> <td>Equity Share capital (share of Rs.10 each)</td> <td>2,00,000</td> </tr> <tr> <td>General reserve</td> <td>3,40,000</td> </tr> <tr> <td>Profit</td> <td>60,000</td> </tr> <tr> <td>Long term loan</td> <td>3,00,000</td> </tr> <tr> <td>Creditors</td> <td>1,50,000</td> </tr> <tr> <td>Bank overdraft</td> <td>50,000</td> </tr> <tr> <td style="text-align: right;">Total</td> <td>11,00,000</td> </tr> <tr> <td colspan="2">Assets</td> </tr> <tr> <td>Building</td> <td>1,80,000</td> </tr> <tr> <td>Plant</td> <td>1,20,000</td> </tr> <tr> <td>Goodwill</td> <td>70,000</td> </tr> <tr> <td>Stock</td> <td>2,00,000</td> </tr> <tr> <td>Debtors</td> <td>1,30,000</td> </tr> <tr> <td>Bank</td> <td>2,50,000</td> </tr> <tr> <td>Discount on shares</td> <td>1,50,000</td> </tr> <tr> <td style="text-align: right;">Total</td> <td>11,00,000</td> </tr> </table> <p>The assets of the company were valued as Building Rs.1,50,000 , Plant Rs.1,30,000 , Debtors Rs.1,25,000 and other assets at book values.2</p> | Liabilities | | Equity Share capital (share of Rs.10 each) | 2,00,000 | General reserve | 3,40,000 | Profit | 60,000 | Long term loan | 3,00,000 | Creditors | 1,50,000 | Bank overdraft | 50,000 | Total | 11,00,000 | Assets | | Building | 1,80,000 | Plant | 1,20,000 | Goodwill | 70,000 | Stock | 2,00,000 | Debtors | 1,30,000 | Bank | 2,50,000 | Discount on shares | 1,50,000 | Total | 11,00,000 | 5 | CO1 |
| Liabilities | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Equity Share capital (share of Rs.10 each) | 2,00,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| General reserve | 3,40,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Profit | 60,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Long term loan | 3,00,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Creditors | 1,50,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Bank overdraft | 50,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 11,00,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Assets | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Building | 1,80,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Plant | 1,20,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Goodwill | 70,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Stock | 2,00,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Debtors | 1,30,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Bank | 2,50,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Discount on shares | 1,50,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 11,00,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q14 | <p>Identify which of the following transactions are operating activities, financing activities and investing activities.</p> <p>(a) Interest paid on loans. (b) Cash received from debtors. (c) Machinery purchased. (d) Income tax paid. (e) Purchased goods for cash. (f) Dividend paid. (g) Sale of motor vehicle for cash. (h) Salaries paid. (i) Redemption of preference shares. (j) Purchased stock in trade for cash.</p> | 5 | CO3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| SECTION-C | | (2* 15 Marks Each- 30 Marks) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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|------------------|---|---------------|---------------|------------------|---------------|---------------|-----|
| Q15 | Prepare cash flow statement from the following information | | | | | 15 | CO2 |
| | Liabilities | 1991 | 1992 | Assets | 1991 | | |
| | Equity share capital | 10,000 | 22,000 | Land | 8,000 | 12,000 | |
| | Preference share capital | 5,000 | 3,000 | Building | 10,000 | 6,000 | |
| | Reserve fund | 2,000 | 3,500 | Furniture | 3,000 | 7,000 | |
| | P/L A/c | 10,000 | 7,500 | Stock | 5,000 | 2,200 | |
| | Bank overdraft | 5,000 | 1,000 | Expenses paid in | 4,000 | 10,000 | |
| | Expenses payable | 3,000 | 1,200 | advance | 3,000 | 1,000 | |
| | Outstanding rent | 2,000 | 12,000 | Bill Receivable | 2,500 | 7,000 | |
| | | | | Cash | 1,500 | 5,000 | |
| | | | | Bank | | | |
| | Total | 37,000 | 50,200 | Total | 37,000 | 50,200 | |
| | Additional information:- | | | | | | |
| | (i) Dividend paid during the year Rs.2,500 | | | | | | |
| | (ii) Loss on sale of building Rs.1,800 | | | | | | |
| Q16 | <p>Calculate goodwill of a firm on the basis of three years purchase of the weighted average profits of the last four years. The profit of the last four years were:</p> <p>2000 Rs. 20,200 2001 Rs.24,800 2002 Rs.20,000 2003 Rs.30,000.</p> <p>The weights assigned to each year are : 2000-1; 2001-2; 2002-3 and 2003-4.You are supplied the following information:</p> <p>(i) On September 1, 2002 a major plant repair was undertaken for Rs.6,000 which was charged to revenue. The said sum is to be capitalized for goodwill calculation subject to adjustment of depreciation of 10% per annum on reducing balance method.</p> <p>(ii) The closing stock for the year 2001 was overvalued by Rs.2,400.</p> <p>(iii) To cover management cost an annual charge of Rs.4,800 should be made for the purpose of goodwill valuation.</p> | | | | | 15 | CO3 |
| SECTION-D | | | | | | | |
| Q17 | <p>Mr. X is employed at Mumbai in limited company at a salary of Rs 16,000 per month, plus dearness pay of Rs 4,000 per month. Since he is Deputy Manager in the sales Department, he is also entitled to 1% commission on sales which amounted to Rs 20 lakhs(1% of 20 crores) during the year. He is also getting House Rent Allowance of Rs 8,000 per month. The actual rent paid by him is Rs 5,000 per month upto 30th September, 2017 and thereafter it has been increased to Rs 6,000 per month. Find out the taxable amount of House rent Allowance for the Assessment Year 2019-20.</p> | | | | | 30 | CO1 |