

## **B.B.S SMRITIVIDYAPEETH, AURAIYA**

(An English Medium Co-Educational Sr. Sec.(10+2) affiliated to CBSE New Delhi)

### **WEEKLY ASSIGNMENT SERIES**

**Sub-Accountancy**

**Class- XII**

Ques.1- The total capital of the firm of Sakshi, Mehak and Megha is Rs 1,00,000 and the market rate of interest is 15%. The net profits for the last 3 years were Rs 30,000; Rs 36,000. and Rs 42,000. Good will is to be valued at 2 years' purchase of the last 3 years super profits. Calculate the good will of the firm.

Ques.2- The average profit earned by a firm is Rs. 75,000 Which includes undervaluation of stock of Rs. 5,000 on an average basis. The capital invested in the business is Rs. 7,00,000 and the normal rate of return is 7% calculate goodwill of the firm on the basis of 5 times the super profit.

Ques.3- Calculate the value of goodwill as on 1<sup>st</sup> April, 2015 on the basis of  $2\frac{1}{2}$  year's purchase of the average profits of the last five years. The profits and losses for the years ending 31<sup>st</sup> march were: 2010 Rs 80,000; 2011 Rs. 1,00,000; 200 Loss the profits of the year ending 31<sup>st</sup> march 2014 include profit on sale of a fixed asset amounting to Rs 50,000 and the profits for the year 2015 were effected by a loss due to fire amounting to Rs. 20,000

Ques.4- Calculate the value of goodwill at 2 year's purchase of the average profits of the last 3 years. The profit for the first year was Rs. 50,000, for second year twice the profit of first year and for the third year one and half times and the profit of the second year.

Ques.5- A firm earns a profit of Rs. 37,000 per year. In the same business a 10% return is generally expected. The total assets of the firm are Rs. 4,00,000. The value of other liabilities is Rs. 90,000. Find out the value of goodwill

Ques.6- An existing firm had assts of Rs. 4,00,000 including cash of Rs. 15,000. The partners capital accounts showed a balance of Rs. 3,00,000 and reserves constituted the rest. If the normal rate of return is 12% and the goodwill of the firm is valued at Rs. 50,000 at  $2\frac{1}{2}$  year's purchase of super profits, find the average profits of the firm.

Ques.7- An existing firm had assets of Rs. 4,00,000 including cash of Rs. 15,000. Its creditors amounted to Rs. 20,000 on that date. The partner's capital accounts showed a balace of rs. 3,00,000 and reserves amounted to Rs. 80,000. If the normal rate of return is 10% and the good will of the firm is valued at Rs. 75,000 at 3 year's purchase of super profits, find the average profits of the firm.

Ques.8- The super profits of a firm are Rs. 14,000. If the normal rate of return is 7% calculate the amount of good will by super profit capitalization method.

Ques.9- A partnership firm earned net profits during the last three years as follows:

Years	Net Profit Rs.
2007-2008	1,90,000
2008-2009	2,20,000
2009-2010	2,50,000

Ques.10- The following information relates to a partnership firm:

- (a) Sundry assets of the firm Rs. 6,80,000. Outside liabilities Rs. 60,000.
- (b) Profits and losses for the past years: profits 2013 Rs 50,000; Loss 2014 Rs. 10,000; profits 2015 Rs. 1,64,000 and profit 2016 Rs. 1,80,000.
- (c) The normal rate of return in a similar type of business is 12%
- (d) Calculate the value of goodwill on the bases of :
  - (i) Three year's purchase of average profits.
  - (ii) Three year's purchase of super profits.
  - (iii) Three years' purchase of average profits, and
  - (iv) Capitalization of super profits.

Ques.11- X,Y and Z are partners sharing profits in the ratio of 5; 4:1. It is now agreed that they will share future profits in the ratio of 3:3:4. Goodwill is valued at Rs 1,00,000. You are required to pass a single journal entry for the treatment of goodwill.

Ques.12- P,Q and R are partners sharing profits and losses in the ratio of 5 :3:2. From 1<sup>st</sup> April, 2016, They decide to share profits and losses in equal proportions . The partnership deed provides that in the event of any change in profit sharing ratio, the goodwill should be valued at three year's purchase of the average of five year's profits.

The profits and losses of the preceding five years ending 31<sup>st</sup> march are:

Profit: 2012: Rs. 60,000, 2013 :Rs. 1,50,000 , 2014 Rs 1,70,000, 2015: Rsw. 1,90,000.

Loss: 2016 :Rs 70,000.

Give the necessary journal entry to record the above change.

Ques.13- An and B have been carrying on business in partnership with fixed capitals of Rs. 2,40,000 and Rs. 1,20,000 respectively and sharing profits in the same proportion they decided that with effect from April 1,2016 they would share profits and losses in the ratio of 3:2. For this purpose goodwill is to be valued at three year's purchase of the average of preceding three year's profits. The profits for the years ending 31<sup>st</sup> March were 2013: Rs75,000 ; 2014: Rs 60,000; 2015 Rs. 80,000 and 2016 rs 1,30,000. Give the necessary journal entry.

Ques.14- From the following cash transaction relating to Royal Club, Green Park, prepare income and Expenditure account for the year ended 31<sup>st</sup> March 2019 and a balance sheet as at that :

<i>Receipts</i>	<i>Rs.</i>	<i>Payments</i>	<i>Rs.</i>
To cash in hand on 1 <sup>st</sup> April, 2018	4,900	By salaries	20,100
To Subscription (including Rs. 800 for the year ending 31.03.2020)	52,100	By travelling Expenses	8,600
To Donation	6,000	By printing & Stationery	1,720
To proceeds from charity show	16,200	By Rent	16,600
To sale of furniture (book value Rs 4,000)	1,600	By Repairs	450
To life membership fees	9,000	By Building purchased	30,000
To interest on investments (Cost of Investments Rs. 40,000)	4,800	By government bonds	5,000
To Sale of old car	20,000	By Balance c/d on 31.03.2019	32,130
	1,14,600		1,14,600

On 1-4-2018, the club owned and building valued at Rs. 40,000 and furniture valued at Rs. 10,500. There were 150 life members on that date each of whom had paid subscription of Rs. 100. The book value of car was Rs. 25,000.

Subscriptions due on 31<sup>st</sup> March 2018 and on 31<sup>st</sup> March, 2019 were Rs. 3,400 and Rs 2,000 respectively. Similarly, Interest on Investments due at the beginning of the year was Rs. 800 and at the end of the year was Rs. 1,000

Ques.15- Prepare income and Expenditure Account from the following particulars of youth club for the year ended on 31<sup>st</sup> March, 2018

**Receipts and Payments Account**

*For the year ended on 31<sup>st</sup> March, 2018*

<i>Receipts</i>	<i>Amount</i>	<i>Payments</i>	<i>Amount</i>
To Balance b/d	Rs.	By Salaries	31,500
To subscription	32,500	By Postage	1,250
2016-17 1,500		By Rent	9,000
2017-18 60,000		By Printing and Stationary	14,000
2018-19 1,800	63,300	By sports material	11,500
To Donations		By miscellaneous Expenses	3,100
(Billiards table)	90,000	By Furniture (1.10.2017)	20,000
To Entrance Fees	1,100	By 10% Investment (1.10.2017)	70,000
To Sale of old magazines	450	By balanced c/d (31.3.2018)	27,000
	1,87,350		187,350

Ques.16- Spencer paints ltd. was registered with an authorized capital of Rs. 50,00,000 divided in 5,00,000 equity shares of Rs. 10 each. Company issued 2,00,0000 equity shares at a premium of Rs. 3 per share, Payable as follows: Rs 2 on second and Final Call

All Shares were subscribed and all the money was duly received. Share issue expenses amounted to Rs. 75,000 which were fully written off against securities premium.

Ques.17- Sico Ltd. took over the assets of Rs. 4,80,000 and liabilities of Rs. 80,000 of Mittal Ltd. for a consideration of Rs 3,20,000. Rs 20,000 were paid by an acceptance in favour of Mittal Ltd. payable after 3 months and the balance by issue of fully paid 8% preference share of Rs. 100 each at a premium of 50%. Pass the necessary journal entries for the above transactions in the books of sico ltd.

Ques.18- Srijan Ltd. issued Rs 10,00,000 new capital divided into Rs. 100 shares at a premium of Rs. 20 per share payable as under :

On Application                      Rs. 10 per share  
 On Allotment                              Rs. 40 per share (including premium of Rs. 100 per shares  
 On first and Final call      Balance

Over payments on application were to be applied towards sums due on allotment and first and final call. Where no allotment was made, money was to be refunded in full.

The issues was oversubscribed to the extent of 13,000 shares. Applicants for 12,00 shares were allotted only 2,000 shares and applicants for 3,000 shares were sent letters of regret and application money was returned to them.

All The money due was duly received.

Give journal Entries to record the above transactions (including cash transaction) in the books of the company.

Ques.19- A Ltd. Makes an issue of 10,000 equity share of Rs. 100 each, payable as follows

On application and allotment                      Rs. 50  
 On first call    Rs. 25  
 On second & Final Call                              Rs. 25

Members holding 400 shares did not pay the second call the shares are duly forfeited, 300 of which are re- issued as fully paid at Rs 80 per share. Pass journal entries forfeited, 300 of which are re- issued as fully paid at rts. 80 per share. Pass Journal entries and prepare share capital and forfeited share account in the books of the company.

Ques.20- Kiran textiles Ltd. Issued 50,000 Equity share of Rs. 10 each at a premium of Rs. 4 per share and 2,000 6% preference shares of Rs. 100 each at par payable as follows.

	Equity shares	Pref. Shares
On Application	3.50	30
On Allotment	6.50 (Including premium )	20
On First Call	2	25
On Final Call	2	25

All these share were fully subscribed, called- up and paid. Record these transactions in journal and cash book.