

SMT S.I.PATEL IPCOWALA COLLEG OF COMMERC PETALAD
INTERNAL EXAMINATION-
B.COM-SEM-2

Advanced Accounting & Auditing IV (UB02ECOM02)

Date-25-02-2019

Time-8-00 to 9-00

Marks-30

Q-1 The following is the Balance Sheet of Krishna Ltd. as on 31-03-2012

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Liabilities	Rs.	Assets	Rs.
Equity share capital each Rs.100	200000	Land and Building	150000
10% Preference share each Rs.10	60000	Machinery	100000
General Reserve	40000	Current Assets	95000
Profit and loss Account	30000	Preliminary expenses	5000
Creditors	20000		
Total	350000	Total	350000

Additional information:-

- (1) The present market value of Land and Building, Machinery and Current Assets are Rs. 200000; Rs.80000 and Rs.90000 respectively.
- (2) The market price of the Equity share of the company, doing similar business and giving dividend at 16%, is two times of its paid up value.
- (3) The profit of the company, before providing tax at 50% for the last three years and appropriate weight to be used are as under

Years	Profit (PBT)	Weight
2009-2010	Rs.50000	1
2010-2011	Rs.57500	2
2011-2012	Rs.65000	3

From the above particulars, find out the value of goodwill of the company at three years 'purchase of its super profit.

OR

Q-1 Write Short Not(any one)

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- (1) Capital Employed (2) Factor affecting the value of Goodwill (3) Internal factors affecting the value of share

Q-2 Following is the Balance Sheet of Klrtan Limited;

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"A "Equity share of Rs.10 each fully paid up	300000	Goodwill	25000
"B "50000Equity share of Rs.10 each Rs.8 paid up	200000	Land-Building	400000
12% Preference Share	100000	Machineries	200000
General Reserve	25000	Trading Investment	50000
15% Debentures	150000	10% Non-trading Investment	100000
Provident Fund	25000	Current Assets	200000
Other Liabilities	200000	Debenture Discount	25000
Total	1000000	Total	1000000

Additional Information-

- (1) Goodwill is to be valued at Rs.50000.(2) Expected rate of return if 10%.Rate of tax is 50%. (3) Average profit before tax of last three years is Rs.240000.
- Calculate Fare value of Equity Share.

OR