

[17-Eng]

Seat No. : _____

No. of Printed pages : 3

SARDAR PATEL UNIVERSITY**B.Com. (II – Semester) Examination**Saturday, 30th March, 2019

10.00 am – 12.00 pm

UB02DCOM22 – Advanced Accounting - IV

Note : Figures to the right indicate marks.

Total Marks - 60

1. The Balance Sheet of Nisha Ltd. As on 31-03-2018 was as follows : (15)

Liabilities	Rs.	Assets	Rs.
3000, 10% Preference Shares of Rs.100 each fully Paid up.	3,00,000	Goodwill	1,00,000
8000 Equity Shares of Rs.100 each fully Paid up.	8,00,000	Land-Building	4,60,000
Share Premium	1,00,000	Machineries	5,30,000
Profit & Loss A/c.	1,50,000	Investment :	
		10% Provident Fund Investments	40,000
		10% Debenture Redemption Fund Investments	60,000
		15% Maya Ltd. Debenture (Face value Rs. 60,000)	50,000
General Reserve	1,00,000	Stock	5,00,000
Dividend Equalization Fund	60,000	Debtors 2,00,000	
Debenture Redemption Fund	40,000	Less: B.D.R. 10,000	1,90,000
10% Debentures	2,00,000	Cash and Bank	90,000
Workman's Profit Sharing Fund	50,000	Prepaid expenses	40,000
Creditors	80,000	Preliminary expenses	25,000
Provident Fund	35,000		
Proposed Dividend :			
Preferences Share 30,000			
Equity Share 50,000	80,000		
Depreciation Fund :			
Land-Buildings 60,000			
Machineries 30,000	90,000		
	20,85,000		20,85,000

The Ravi Company Ltd. Wants to purchase the business. Considering the following information, calculate the Goodwill.

- The market value of Land & Building is twice than its book value.
- The machinery requires 10% depreciation.
- The stock includes certain useless items costing Rs. 50,000 having no scrap value.
- All the debtors are solvent.
- The profit of the company. Before providing income tax at 50% for the last three years are as under.
Calculate on the basis of weighted average.

Rs.

2015-16	2,00,000
2016-17	5,00,000
2017-18	6,00,000

- The expected rate of return of company is 10 %.
- The goodwill, is to be valued at four years purchases of the super profit basis.

OR

- Discuss of Factors affecting the value of Goodwill.
- Explain various methods used for computing the value of Goodwill.

(10)

(05)

(1)

(P.T.O.)