# Diploma in Accounts and Auditing (NEP Pattern) 1 Year **AFA02 - Advanced Financial Accounting**

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	ages : ne : Th		ours		* 8 2 5 9 *		<b>GUG/W/23/15276</b> Max. Marks : 60			
	 Note	es :	1.	All questions are c	compulsory.					
1.	a)	Mu	ltiple	e choice questions.			10			
		1)		e profit of last 3 year 2 years.	rs are Rs. 21000, Rs. 195	500 and Rs. 22500. I	Find out the goodwill			
			a)	Rs. 21,000	b)	Rs. 42,000				
			c)	Rs. 63,000	d)	Rs. 18,000				
		2)	12.		e profit of Rs. 30,000. al employed in the firm super profit is:					
			a)	Rs. 10000	b)	Rs. 7500				
			c)	Rs. 5000	d)	None of the above	ve .			
		3)	ass res	ets (excluding good	Rs. 20,000. The Normal will) and total outside liethe value of goodwill a	abilities are Rs. 2,20	0,000 and Rs. 56,000			
			a)	Rs. 20,000	b)	Rs. 16,400				
			c)	Rs. 1,64,000	d)	Rs. 36,000				
		4)	Sai sha	njay is admitted into are of capital. How a	nd Manish are partners with capital of Rs. 18,000 and Rs. 20,000 respectively. admitted into the firm for $1/3^{rd}$ share of profit and he brings Rs. 24,000 as his capital. How much will be the goodwill of the firm?					
			a)		b)	12,000				
			c)	20,000	d)	24,000				
		5)	20	18. The profits of the	Z are partners sharing profit and losses in the ratio 2:2:1. Z died on 31 <sup>st</sup> March ne profits of the financial year ending 31 <sup>st</sup> March 2018 is Rs. 1,28,000. The deceased partner in the profits will be:					
			a)	Rs. 18,400	b)	Rs. 25,600				
			c)	Rs. 6,200	d)	Rs. 12,200				
		6)	bus par of	19-20 Rs.2,00,000 siness is Rs. 4,80,0 thers is estimated to 2 years purchase of	Fits and losses for the last four years are: 2017-18 Rs.16,000, 2018-19 Rs.9,000, Rs.2,00,000 2020-21 Rs.1,48,000. The average capital employed in the s is Rs. 4,80,000. The rate of return expected is 10%. The remuneration of is estimated to be Rs. 2,000 p.m. Calculate the value of Goodwill on the basis rs purchase of super profits.					
			a)	Rs. 18,000	b)	Rs. 17,500				

d)

None of the above

c) Rs. 17,000

OR							
Exp	Explain the various methods of Goodwill.						
10)	Who is an underwriter?						
9)	Write the meaning of Equity shares.						
8)							
7)	Write the meaning of Debentures.						
6)	What is bonus shares?						
5)	Write the meaning of Goodwill.						
4)	4) What is Capitalisation of Profits?						
3)	3) Explain Super Profit.						
2) What do you mean by Reinsurance?							
1)	What is a Banking Company?						
Writ	te answer in one sentence.	10					
	<ul><li>a) The profits have a decreasing trend</li><li>b) The profits are uneven</li><li>c) The profits have an increasing trend</li><li>d) None of the above</li></ul>						
10)	0) The weighted average method for calculating goodwill should be followed only when						
9)	Which of the following factors is not affecting the goodwill of a company?  The location of a company's customers  The nature of business  The efficiency of a company's management  None of the above						
8)	Calculate the value of Goodwill of Sharvari & Chikoo firm: Net trading result: 2022 = Rs. 2,24,350, 2021 = Rs. 74,050, 2020 = Rs. 73,800. N. R. R. = 18%, Fair remuneration to each partner for her service Rs. 250 p.m. Sundry assets (excluding goodwill) Rs. 3,77,381 & Sundry liabilities Rs. 15,665. On the basis of capitalization of Super Profits.  a) Rs. 17,100  b) Rs. 31,667  c) Rs. 63,000  d) None of these						
ŕ	Rs.1,20,000. The normal rate of return is 10%. Use capitalization of super profit method to value goodwill.  a) Rs. 1,20,000 b) Rs. 24,000 c) Rs. 12,000 d) None of these						
7)	Calculate goodwill if a firm earns a net profit of Rs. 24,000 with a capital of						

2.

a)

b)

b) Abhi & Co. values goodwill as 2 years purchase of super profit. The normal earning in his line of business is 12% on capital employed.

The Balance sheet gives the following details.

Fixed Assets Rs. 4,20,000

Current Assets Rs. 2,80,000

Current Liability Rs. 70,000The profit of last 4 years are 2022 = Rs. 2,48,000, 2021 = Rs. 1,96,000, 2020 = Rs. 2,00,000and 2019 = Rs. 2,20,000

Determine the value of goodwill under super profit method.

**3.** a) Write the difference between shares and Debentures.

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### OR

Mr. Rishal Send 500 boxes at cost Rs. 100 per box to M/s Nikoo stores at Chandrapur Mr. Rishal incurs Rs. 1500 for freights and Rs. 500 for Insurance.
 M/s Nikoo sold all boxes for Rs. 60,000 and incurred Rs. 500 for unloading charges and Rs. 500 for Rent.

M/s Nikoo entitled 2% General Commission on gross sale. M/s Nikoo sends a draft after deducting his expenses and commission.

Prepare Necessary account in the books of Mr. Rishal.

**4.** a) State the objectives and importance of Insurance company.

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# OR

b) From the following Information, Prepare the Profit & Loss Account of Gramin Bank Ltd. **10** for the year ending on 31<sup>st</sup> March 2022.

Interest on loans Rs. 25,600 Interest on Fixed Deposit Rs. 27,500

Commission Rs. 520 Establishment Expenses Rs. 5,400

Discount on Bills Discounted Rs. 14,600

Interest on cash credit Rs. 22,300

Interest on current account Rs. 4,200 Rates & Taxes Rs. 1,800

Interest on overdrafts Rs. 15,400 Directors fees Rs. 300

Auditors fees Rs. 120

Interest on Saving Bank Deposits Rs. 6,800

Postage & Telegram Rs. 140 Printing & Stationary Rs. 290

Sundry charge Rs. 170 Income from investment Rs. 200

Profit on sale of investment Rs. 400

Bad debts to be written off amounted to Rs. 4,000. Provision for taxation may be made @55%.

**5.** a) Discuss in brief Dissolution of Partnership firm.

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# OR

b) Mr. Ajay agreed to take over the company of Mr. Sanjay was to pay the debentures and liability of Mr. Sanjay takeover assets by paying consideration by issue of 08 lakh fully paid up shares of Rs. 10 each and the payment of Rs. 60,000 in cash to Mr. Sanjay. Mr. Ajay was to pay liquidation expenses of Rs. 28,000. Balance sheet.

Liabilities	Mr. Ajay	Mr. Sanjay
Issued capital	30,00,000	10,00,000
15% Debentures	10,00,000	2,00,000
Creditors	1,66,840	87,240
Profit & Loss A/c	1,97,700	53,900
Bank Overdraft	NIL	40,000
Total	43,64,540	13,81,140
Assets		
Land & Building	20,66,000	7,13,640
Goodwill	6,00,600	1,00,000
Debtors	1,44,800	NIL
Bank Balance	3,36,840	NIL
Stock	3,58,520	1,57,040
Plant & Machinery	7,75,360	3,28,780
Bills Receivables	82,420	2,000
Total	43,64,540	13,81,140

There was a Bad Debt of Rs. 3,000 of Mr. Sanjay Ltd. Which was proved irrecoverable. Pass journal entry in the books of Mr. Ajay Ltd.

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