

Section-A

Q (I) Answers any three of the following questions (3X2=06)

1. What are super profit?
2. Give two circumstances under which shares are to be valued.
3. What is pre-acquisition profit?
4. What is consolidated balance sheet?
5. Define goodwill?

Section-B

(1X4=04)

Q (II) Average profit Rs – 1,60,000

Normal profit Rs - 1,20,000

Calculate the value of goodwill based on 4 years. Purchase of the average super profit
Of the last 5 years.

Section –C

(1X10=10)

Q (III) From the following information prepare the profit & loss account of Hubli
Bank Ltd, for the year ending 31/3/2018 & the necessary schedules.

Name of accounts	Accounts(Rs)	Name of accounts	Accounts(Rs)
Income on Investments	Rs.40,000	Interest & Discount	Rs.4,60,000
Interest on balances with RBI	Rs-20,000	Commission,exchange&brokerage	Rs-1,60,000
Profit on sale of Investments	Rs-20,000	Interest on borrowings from RBI	Rs-35,000

Interest on Deposits	Rs- 1,30,000	payments to & provisions for employees	Rs-1,40,000
Rent,Taxes& Lighting	Rs-40,000	Printing & stationery	Rs-30,000
Advertisement & publicity	Rs-12,000	Depreciation on bank's property	Rs-8,000
Director's fees	Rs-24,000	Auditor's fees & allowances	Rs-16,000
Law charges	Rs-10,000	postage,Telegrams,telephones	Rs-4000
Repairs & maintainances	Rs-14,000	Insurance	Rs-2000

Other information:-

- a) Make provision for income tax Rs-15,000
- b) Provide for bad and doubtful debts Rs-12,000
- c) Provide for rebate on bills discounted Rs-8,000
- d) The director's have proposed a dividend of Rs-40,000