


THE NATIONAL EDUCATION SOCIETY OF KARNATAKA (REG.), BASAVANAGUDI, BANGALORE - 4
THE NATIONAL DEGREE COLLEGE, BAGEPALLI
CHICKABALLAPURA DISTRICT, PIN 561 207



Permanently Affiliated to Bangalore University & Re-Accredited 'B+' Grade by NAAC
E-mail: nationaldegreecollegebagepalli@gmail.com

**THE NATIONAL DEGREE COLLEGE**
BAGEPALLI - 561 207
INTERNAL ASSESSMENT TESTS

Name of the Student : Yashwanth Kumar P.N Class : IInd B.Com (IInd Sem)
Register Number : U19CK21C0298 Section : B Section
Date : 15/02/2023 Sub: Corporate Accounting Marks:

30
30

Signature of the Invigilator _____ Signature of the Valuer _____

Good

I

1. Under writing of shares is the company issue of shares subscribed by the under writers either fully or partially is known as under writing of shares.

3. Goodwill is an intangible asset the value of company will be increased.
(or)
Goodwill is an intangible asset and the Goodwill is saleable and in the public company have good names and the value of the company will be increased. is known as Goodwill.

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II
3.

The advantages of under writing of Shares

a. The Company have no stress in issuing Shares to the public

b. Shares were Subscribed and Sold by the under writers to public.

c. They company issued share to the under writers.

d. The company need to pay the Commission to the under writers

e. Shares can be easily Saleable through under writers

f. The company can easily get investments

III
6]

4.

Essential features of Goodwill

a] Good will is an intangible asset to U

b] Goodwill is Saleable

c] Goodwill will increase the value of the company

d] Goodwill can attract more buyers to the company.

e] Goodwill can create Good name in society

f] Good will can attract investors to the company.

g] Goodwill can help to the Growth of the company.

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Journal entries in the books of Sadanand Ltd as 31/3/2021			
11/6]	Particulars	Debit(₹)	Credit(₹)
	For collection of Calls in arrears A/c Calls in arrears A/c - Dr To preference Share capital A/c	20000	20000
	For transfer of preference Share capital & premium on redemption preference Share capital A/c - Dr 100000 Premium on redemption A/c 5000 To preference Shareholder A/c	100000 5000	105000
	For making payment to preference Share holder A/c preference Share holder A/c - Dr To Bank A/c	105000	105000
	For creation of CRR A/c Profit & LOM A/c - - Dr TO CRR A/c	48000	48000
	For Fresh issue of Equity Shares Bank A/c - - Dr To Fresh issue of Equity Share $\frac{52000}{10} = 5200$ 5200×10	52000	52000
	For payment to premium on redemption Profit & LOM A/c - - Dr To premium on redemption A/c	5000	5000
	For Sales of investments at loss Bank A/c - - Dr Profit & LOM A/c To investments A/c	25000 5000	30000

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Revised balance Sheet of Sadanand Ltd as on 31/3/2021

Particulars	Amt(₹)	Amt(₹)
<u>Equity & Liabilities</u>		
Equity Shares capital	200000	
(+) Fresh issue of Equity Shares	52000	252000
profit & loss A/c	58000	
(-) transfer to CRR A/c	48000	
(-) Sales of investments	5000	
(-) paid premium on redemption	5000	Nil
Sundry Creditors		42000
CRR		48000
		342000
<u>Assets</u>		
<u>Sundry Assets</u>		
Cash at Bank	70000	
(+) Fresh issue of Equity Shares	52000	
(+) calls in arrears	20000	
(+) Sales of investments	25000	
	167000	
(-) paid to preference Shareholders and premium	105000	
	62000	62000
		342000

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Year Profits
calculation of Goodwill.

Year	Profits
2010	230400
2011	246400
2012	270400
2013	278400
2014	286400
Total	1312000

Average profit = $\frac{\text{Total profits}}{\text{No. of year}} = \frac{1312000}{5} = 262400$

Average Profit = 262400

(-) Non recurring profit 10000

Average profit 252400

Step 2:- calculate of Average capital employed

Average capital employed = 2400000

Step 3:- calculation of Super Profit.

Average profit = 252400

(-) Normal Rate of Return 192000

$2400000 \times 8\%$

Super Profit 60400

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Step 4:- valuation of Goodwill

Good will as per Annuity Method

$$\begin{aligned} \text{Goodwill} &= \text{Super profits} \times \text{Annuity value} \\ &= 60400 \times 3.78 \\ &= \underline{\underline{228312}} \end{aligned}$$

Goodwill as per Super profits Method

$$\begin{aligned} \text{Goodwill} &= \text{Super profits} \times \text{No of Years of purchase} \\ &= 60400 \times 5 \\ &= \underline{\underline{302000}} \end{aligned}$$

Goodwill as per capitalization of Super profit method

$$\begin{aligned} \text{Goodwill} &= \frac{\text{Super profits}}{\text{Normal rate of return}} \times 100 \\ &= \frac{60400}{8} \times 100 \\ &= \underline{\underline{755000}} \end{aligned}$$

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The National Education Society of Karnataka, Bangalore - 560 004.
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INTERNAL ASSESSMENT TESTS

Name of the Student : Narendra S Class : IInd B.Com
 Register Number : U19ck22c0021 Section : 'B'
 Date : 18/01/2024 Marks : 17/20
 Subject : Cost Accounting
 Signature of the Invigilator _____ Signature of the Valuer _____

I.

2]

Particulars	Amount
Direct materials	5,000
Labour	6,000
Prime Cost	11,000

III

5]

Cost Sheet Statement :

Particulars	Amount	Amount
Direct materials	20,000	
Direct Wages	28,500	
Prime Cost		48,500
Add: <u>Factory overhead</u>		
Rent & rates	2500	
Plant repairs, maintenance	3500	
Plant depreciation	3600	
Factory lighting	4500	
		14,100

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Factory / Works cost		62,600
Add: <u>Office & Administration overhead:</u>		
Factory manager's Salary	4000	
Office Salaries	1600	
Director's remuneration	1500	
Telephone & postage	2000	
Printing & Stationery	1000	
Legal charges	800	6,300
Cost of production		68,900
Add: <u>Selling & distribution overhead</u>		
Advertisement	2500	
Salesmen's Salary	3000	
Showroom rent	2000	7,500
Total Cost		106,400
Add: Profit (Balance)		33,600
Sales		140,000

(a) Prime Cost = 48,500
(b) Factory Cost = 62,600
(c) Cost of production = 68,900
(d) Total Cost = 106,400

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III			
8] <u>Cost Sheet Statement for the year 2021:</u>			
Particulars	Amount	Amount	
Direct materials	5,000		
Direct Wages	3,000		
Chargeable Expenses	2,000		
			10,000
			10,000
Prime Cost			
Add: <u>Factory overhead</u>			3,000
Factory Cost			13,000
Add: <u>Administrative overhead</u>			4,000
Cost of production			17,000
Add: <u>Selling & distribution overhead</u>			3,000
Total Cost			20,000
Add: Profit (balance)			5,000
Sales			25,000
<u>Working Note:</u>			
(b) $\frac{\text{Factory overhead}}{\text{Direct Wages}} \times 100 \Rightarrow \frac{3000}{3,000} \times 100 = \boxed{100\%}$			

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Office overhead $\times 100 = \frac{4,000}{13,000} \times 100$
Factory Cost
 $\Rightarrow \boxed{30.76\%}$

Selling overhead $\times 100 = \frac{3,000}{13,000} \times 100$
Factory Cost
 $\Rightarrow \boxed{23.07\%}$

(C) Profit on Sales of percentage =
 $\frac{\text{Profit}}{\text{Sales}} \times 100 \Rightarrow \frac{5000}{25000} \times 100$
 $\Rightarrow \boxed{20\%}$

Estimation cost Sheet for the year 2022:

Particulars	Amount	Amount
Direct materials	8,000	
Direct Wages	10,000	
Chargeable Expenses	2,000	
Prime Cost		20,000
Add: <u>Factory overhead</u> (3,000 \times 100%)		3,000
Factory Cost		23,000

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Add: <u>Office & administration overhead</u> (13,000 × 30.76%)	3,999	
Cost of production	26,999	
Add: <u>Selling & distribution overhead</u> (13,000 × 23.07%)	2,999	
Total cost	29,998	
Add: Profit (balance) (25,000 × 20%)	5,000	
Sales	34,998	

II

3] Methods of Costing:

- (1) Job-order Costing
- (2) Batch Costing
- (3) Contract Costing
- (4) Process Costing

(1) Job-order Costing:

Every company must should be appoints a Costing in a business for seeing the company manufacturing costing into final product.

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Add: <u>Office & administration overhead</u> (13,000 × 30.76%)		3,999
Cost of production		26,999
Add: <u>Selling & distribution overhead</u> (13,000 × 23.07%)		2,999
Total cost		29,998
Add: Profit (balance) (25,000 × 20%)		5,000
Sales		<u>34,998</u>

II

3] Methods of Costing:

- (1) Job-order Costing
- (2) Batch Costing
- (3) Contract Costing
- (4) Process Costing

(1) Job-order Costing:

Every company must should be appoints a Costing in a business for seeing the company manufacturing costing into final product.

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(2) Batch costing:-

In business of the organization also having to performing the costing. They divided into a people batches into performed, in a large scale of business.

(3) Contract costing:-

In company or business organization has adopted a person who manage to doing the cost control in a work-in-progress they should also government appoints to performing the government sectors.

(4) Process Costing:-

Costing process is very essential in any company or business organization. To ascertaining to the profit or loss of the manufacturing goods or products. To know the it may profit or loss of the costing.

I.

"Aggregative expenditure of producing the goods or services", then it is called the 'costing'.