

- Q2) C Ltd. has 250 unqualified employees. Their age group and the future average earning per year per employee is expected to be as follows: (12)

Age Range	Average Annual Earning per Employee
20-30	5000
30-40	7000
40-50	9000
50-60	8000

Discount rate is 10%. Calculate the value of HR. Assume that all the employees are 25 years old.

- Q3) The following is the Balance Sheet of Birla as at 31/12/2024: (12)

Liabilities	Rs.	Assets	Rs.
Equity Share Capital	5,00,000	Land & Building	3,50,000
Reserves	1,70,000	Plant & Machinery	2,00,000
Secured Loans	2,00,000	Furniture	50,000
Short Term Loans	1,00,000	Stock	1,50,000
Creditors	50,000	Debtors	1,45,000
		Less: RDD	20,000
		Bills Receivable	75,000
		Bank Balance	50,000
		Preliminary Expenses	10,000
		Underwriting Commission	10,000
	10,20,000		10,20,000

The company's profit before managerial remuneration (Rs.40,000 p.a) and taxation are:

Year ended 31 st December	Rs.
2020	1,80,000
2021	1,90,000
2022	2,60,000 (including Rs.40,000 from speculation)
2023	2,50,000 (including Rs.10,000 on sale of fixed assets)
2024	2,80,000

Compute its Goodwill as 5 years purchase of super profit assuming that,

- Companies engaged in similar business normally earn 15% p.a
- Rate of income tax may be taken at 50%.
- Half of the profit is to be considered for calculating Average CE.

OR

- Q3) Max & Co., decided to purchase the business of Bharat & Co. on 31/12/2024. Profits of Bharat and Co. for the last 6 years were: (12)

Year	Rs.
2019	10,000
2020	8,000
2021	12,000
2022	16,000
2023	25,000
2024	31,000

The following additional information about Bharat & Co. is also supplied:

- A casual income of Rs.3,000 was included in the profit of 2021 which can never be expected in future.

- b. Profit of 2022 was reduced by Rs.1,000 as a result of an extraordinary loss by fire
 c. After acquisition of the business, Max & Co. has to pay insurance premium amounting to Rs.1,000 which was not paid by Bharat & Co.
 d. Moksh the proprietor of Max & Co. was employed in a firm at a monthly salary of Rs.1,000 p.m. The business of Bharat & Co. was managed by a salaried manager who was paid a monthly salary of Rs.400. Now, Mr. Moksh decides to manage the firm after replacing the manager.

Compute the value of Goodwill on the basis of 3 years purchase of the average profit for the last 4 years

Q4) On 31st March, 2024 the balance sheet of Ganga Ltd. was as follows.

(12)

Balance Sheet

Liabilities	Rs.	Rs.	Assets	Rs.
Share Capital:			Land and Buildings	3,00,000
Authorized 20,000 equity share of Rs.100 each		20,00,000	Plant and Machinery	1,72,500
Issued and paid up 15,000 equity Share of Rs.100 each	15,00,000		Stock	4,50,000
Less: Calls in arrears Rs.20 each	2,000	14,98,000		
Profit and Loss A/c		1,54,500	Sundry Debtors	9,07,500
Bank Overdraft		32,000	Cash	20,000
Creditors		1,15,500	Bank	1,30,000
Provision for Taxation		67,500		
Proposed Dividend		1,12,500		
		19,80,000		19,80,000

The Net Profits of the company after providing for tax were as follows:

Year Ended	Rs.
31 st March, 2024	1,72,500
31 st March, 2023	1,50,000
31 st March, 2022	1,87,000
31 st March, 2021	1,80,000
31 st March, 2020	1,35,000

On 31st March, 2024 Land and Building were valued at Rs.3,75,000 and Plant and Machinery were valued at Rs.2,25,000. Normal rate of return can be considered at 8%. Goodwill is to be valued at Rs.67,800.

Find the Intrinsic value of fully paid and partly paid equity shares. Consider closing capital employed as average capital employed.

OR

Q4) Write Short Notes: (Any 3)

(12)

- (a) Benefits of Global Standards
 (b) Standard Cost Model of Human Resources Accounting
 (c) Types of Employee Benefits
 (d) Market Approach of Valuation of Shares
 (e) Methods of Valuation of Goodwill
