

Worksheet for SubjectAccounts.....

Topic Average method

Class 12 commerce

Solve the following questions:

1. Firm's goodwill be calculate on 2 years purchases of 5 years average profit.

Years	2012	2013	2014	2015	2016
Profits	15000	18000	7000loss	10000	14000

Calculate goodwill.

2. Firm's goodwill valued on 2 years purchase of 3 years average profit.

Years	profits
2014	40000 (include abnormal profit Rs. 10000)
2015	30000(Rs. 5000 charge for abnormal loss)
2016	33000(include Rs. 8000 interest on investment)