



# St. Lawrence High School

*A Jesuit Christian Minority Institution*



## Answer Key 18

**Sub: Accountancy**

**Class: XII**

**Chapter: Unit I: Introduction to Partnership**

**F.M.: 15**

**Topic: Goodwill 2**

**Date: 11/06/2020**

**Choose the correct alternatives:**

**1 x 15 =15**

1. Which is required to be calculated at the time of calculating valuation of goodwill?  
(a) average profit; (b) normal business profit; (c) super profit; (d) **all of these.**
2. Abnormal losses are \_\_\_\_\_ to compute normal profit.  
(a) deducted; **(b) added;** (c) not included or excluded; (d) none of these.
3. Capital expenditure is the  
(a) operational expenses; **(b) non-operational expenses;** (c) revenue expenses; (d) none of these.
4. Abnormal gain is the  
(a) operational expenses; (b) non-operational expenses; (c) revenue expenses; **(d) none of these.**
5. Non-recurring income includes  
(a) Bad debt recovery; (b) discount received; **(c) profit on sale of asset;** (d) none of these.
6. Overvaluation of closing stock means  
**(a) closing stock is shown more;** (b) closing stock is shown less; (c) closing stock remains unchanged; (d) none of these.
7. Example of capital expenditure is  
(a) purchase of goods; (b) purchase of stationery; (c) depreciation on machinery; **(d) construction of factory shed.**
8. A business earns  
(a) normal profit; **(b) actual profit;** (c) super profit; (d) average profit.
9. Under valuation of closing stock means  
(a) closing stock is shown more; **(b) closing stock is shown less;** (c) closing stock remains unchanged; (d) none of these.
10. Goodwill which is shown in the balance sheet is  
**(a) purchased goodwill;** (b) self-generated goodwill; (c) either (a) or (b); (d) none of these.
11. In the given problem, the amount of average profit is  
(a) ₹50,000; **(b) ₹60,000;** (c) ₹70,000; (d) none of these.
12. Weights of the average profit is given in  
**(a) ascending order;** (b) descending order; (c) same order; (d) none of these.
13. The weighted average profit of the given sum is  
**(a) ₹63,333;** (b) ₹67,666; (c) ₹70,000; (d) ₹60,000.
14. Goodwill under simple average method is  
(a) ₹50,000; (b) ₹60,000; (c) ₹70,000; **(d) none of these.**
15. Goodwill under weighted average method is  
(a) ₹1,20,000; **(b) ₹1,26,666;** (c) ₹63,333; (d) none of these.

Compiled by  
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