

2025

FINANCIAL ACCOUNTING-II — MDC

Paper : MDC-5

Full Marks : 75

*The figures in the margin indicate full marks.**Candidates are required to give their answers in their own words as far as practicable.*

Group - A

Answer *any three* questions.

1. Das & Co. of Kolkata consigned 500 units of a product costing ₹ 160 each to Sarkar Bros. of Burdwan. The invoice price per unit was cost plus 50%. Das & Co. paid ₹ 3,000 as carriage and ₹ 8,000 as insurance. 40 units were completely destroyed in transit. Insurance claim received by Das & Co. ₹ 7,000. Sarkar Bros. took delivery of the remaining units of the product consigned and spent ₹ 5,980 as clearing charges and ₹ 3,600 as rent. Sarkar Bros. sold 400 units at ₹ 350 per unit.

Sarkar Bros. is entitled to receive commission @ 12% on sales made by them. They sent the account sales along with a bank draft for the amount due to Das & Co.

You are required to prepare Consignment A/c, Goods destroyed-in-transit A/c and Sarkar Bros. A/c in the books of Das & Co. (workings should form part of your answer). 10

2. A fire occurred in the godown of Enn & Sons on 15-06-2024 and destroyed its inventory. Enn & Sons closes its books on 31.03 every year.

Following information was collected from its books and you are required to calculate the amount of insurance claim for loss of stock using average clause.

Sales for the year 2023-24	₹ 3,00,000	
Purchases for the year 2023-24	₹ 2,40,000	
Stock as on 01.04.2023	₹ 35,000	
Stock as on 31.03.2024	₹ 50,000	
Sales from 01-04-24 to 15-06-24	₹ 76,000	
Purchases from 01-04-24 to 15-06-24	₹ 1,05,000	
Scrap salvaged	₹ 7,000	
Policy value	₹ 78,400	10

Please Turn Over

(3037)

3. X & Co. has a branch at Patna. All cash collected by the branch are directly deposited to head office bank account. Branch keeps a cash account out of cash sent by head office to meet petty expenses only. On 01.04.24, following balances appeared in the books of the branch :

Stock (at cost) ₹ 12,000, Debtors ₹ 25,000 and Petty cash ₹ 6,000

During the year ended on 31.03.2025, X & Co. sent goods costing ₹ 80,000 and also sent cash ₹ 18,000 to cover expenses to the Patna branch. The head office also paid rent of the branch ₹ 16,000.

During the period Patna branch sold goods ₹ 23,000 in cash and ₹ 1,10,000 on credit. It collected ₹ 90,000 from debtors, while ₹ 4,000 proved to be bad.

As on 31.03.2025, the branch had following balances :

Stock = ₹ 27,000, Petty cash = ₹ 9,000 and Debtors = ?

Prepare Patna Branch Account in the books of X & Co.

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4. On 01.04.2022 C. K Transporter purchased a Truck from BD Automobiles Ltd. on hire purchase system. At the time of agreement, a sum of ₹ 4,92,000 was paid as down payment and the balance of cash price of the truck was payable in three equal annual instalments plus interest @ 9% p.a. every year on 31st March. The amount of last instalment including interest was ₹ 4,75,240.

C. K Transporter closes its books on 31st March every year.

You are required to —

- (a) Calculate the cash price of the Truck; and
- (b) Show 'BD Automobiles Ltd. A/c.' for the period from 2022-23 to 2024-25 in the books of C. K Transporter.
- 10
5. (a) State the differences between Hire Purchase System and Instalment Payment System.
- (b) Write a short note on Account Sales.

6+4

(3)

C(4th Sm.)-Financial Accounting-II-MDC/MDC-5/CCF

Group - BAnswer *any three* questions.

6. AB Textiles manufactures and sells cloth, which are used by other company and the individual customers for suiting and shirting purposes. From the beginning of the year 2024-25, AB Textiles opened its own 'Readymade Garment Department' to which cloths are supplied by the 'Cloth Department' at their usual selling price. Following particulars relating to the year ended 31st March, 2025 are provided to you :

Particulars	Cloth Dept. ₹	Readymade Garment Dept. ₹
Stock as on 01.04.2024	1,10,000	-
Purchases	7,80,000	31,200
Sales	9,60,000	1,92,000
Transfer of cloth to readymade garment dept.	1,20,000	-
Manufacturing expenses	1,06,000	28,800
Selling expenses	18,000	5,000
Stock as on 31.03.2025	2,40,000	58,000

The value of stock in readymade garment dept. is assumed to consist of 80% cloth and 20% other expenses. General expenses of the business for the year came to ₹ 65,000.

Prepare Departmental Trading and Profit & Loss Account and General Profit & Loss Account for the year ended 31st March, 2025. 15

7. M/s. ABC & Associates is a partnership firm with partners A, B and C sharing profits and losses in the ratio 4 : 3 : 3. The Balance Sheet of the firm as on 31st March, 2025 is as under :

Liabilities	₹	Assets	₹
Capitals : A	2,60,000	Land & Building	2,00,000
B	2,40,000	Plant & Machinery	2,00,000
C	<u>1,00,000</u>	Stock	1,00,000
Trade Creditors	2,00,000	Sundry Debtors	2,00,000
		Cash at Bank	1,00,000
	8,00,000		8,00,000

On 31st March, 2025, B desired to retire from the firm and the remaining partners decided that in his place D will be admitted as a partner with effect from 1st April, 2025.

Please Turn Over

(3037)

They agreed on the following terms and conditions :

- (i) Land & buildings be appreciated by 50%.
- (ii) Plant & Machinery be depreciated by 20%.
- (iii) Closing stock to be valued at ₹ 80,000.
- (iv) Provision for bad debts shall be made at 5%.
- (v) Old credit balances of sundry creditors ₹ 10,000 be written back.
- (vi) Goodwill of the firm is valued at ₹ 1,40,000 and the incoming partner D will bring his share of premium for goodwill in cash.
- (vii) The total capital of the reconstituted firm will be ₹ 7,00,000 which will be contributed by the partners A, C and D in their new profit sharing ratio 2 : 1 : 2.
- (viii) 60% of the amount due to the retiring partner B to be paid in cash on the date of retirement and the balance 40% shall be transferred to his Loan Account.

Prepare Revaluation A/c, Capital Accounts of the Partners, Cash & Bank A/c and Balance Sheet of the reconstituted firm as on 1st April, 2025. 3+6+3+3

8. (a) Gupta transporter purchased one car costing ₹ 9,60,000 from Saini Bros. on 01.01.2022 on hire purchase system. The terms of payment were that on signing the agreement ₹ 2,40,000 was to be paid as down money and the balance of cost of car to be paid in three equal annual instalments plus interest @ 10% p.a at the end of each year, that is on 31st December every year. Gupta Transporter writes off depreciation @ 20% p.a on diminishing balance method.

The hire purchaser paid two instalments due on 31.12.2022 and 31.12.2023 but could not pay the final instalment. Saini Bros, repossessed the car.

Write up the Car Account and Saini Bros. Account in the books of Gupta Transporter for the year 2024.

- (b) State the situation when 'average clause' in a loss of stock policy is applied.
- (c) Can a consignee get del-credere commission when bad debt occurred on credit sales made by the consignee? 10+3+2

9. Smart Stores of Patna has a retail branch at Kanpur. Goods are invoiced to branch at selling price which is cost plus 50%. All expenses of branch are paid by the head office. Branch only maintains a Sales ledger. Branch accounts are maintained at head office. The particulars for the year 2024-25 are as follows :

Particulars	₹
Stock at I.P. as on 01.04.2024	1,14,000
Debtors as on 01.04.2024	45,200
Goods sent to branch at I.P.	15,00,000
Goods returned by branch to H.O. at I.P.	18,000
Cash Sales	60,000
Credit Sales	13,35,000
Goods returned by debtors to branch	9,000
Cash received from debtors	12,65,000
Discount allowed to debtors	7,500
Bad Debt	2,100
Branch Expenses : Rent, Salaries and Other expenses paid by H.O.	1,05,000
Stock at I.P. as on 31.03.2025	1,98,000
Debtors as on 31.03.2025	?

Prepare Branch Stock A/c, Branch Debtors A/c, Branch Adjustment A/c and Branch Profit & Loss A/c in the books of Head Office.

15

10. The partnership of Black, White and Green (sharing profits and losses in 4 : 2 : 3) is dissolved on 01-04-2025. Their Balance Sheet as on that date was as follows : (in ₹)

Capitals :	Black	34,000	Cash at bank	4,000
	White	23,000	Sundry assets	65,050
	Green	1,500	Stock	8,000
Reserve fund		6,300	Debtors	10,000
Profit & Loss A/c		4,050	Preliminary expenses	1,800
Creditors		20,000		
		88,850		88,850

Black is given the charge of dissolution and is allowed a commission @ 5% on realization; however he is to bear all expenses of realization.

Black took a part of the sundry assets at ₹ 3,000 and balance of sundry assets were realized ₹ 48,000. Stock and Debtors realized ₹ 3,000 and ₹ 6,000 respectively. An unrecorded investment was taken over by White for ₹ 1,000. Creditors were settled at 10% discount.

Prepare Realisation Account, Partners' Capital Account and Bank Account to close the books of the firm.

15