

2026

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. On 01.01.2025, Basumati Ltd. of Kolkata consigned 15,000 kg of rice at an invoice price of ₹ 40 per kg, cost of rice being ₹ 32 per kg to Kamal Bhandar of Durgapur. Basumati Ltd. paid ₹ 15,000 as freight and insurance charges. During transit 200 kg of rice were destroyed for which the insurance company settled the claim and paid ₹ 5,400 to Basumati Ltd.

Kamal Bhandar took delivery of the remaining quantity of rice and paid clearing charges ₹ 8,880. The consignee also incurred godown rent ₹ 12,000 and delivery charges ₹ 4,000. The consignee is entitled to an ordinary commission of 4% on sales.

On 31.12.2025, Kamal Bhandar sent an account sales indicating that 14,300 kg rice were sold for ₹ 7,15,000 and remitted the balance amount due by a demand draft. There was no opening stock in the hands of Kamal Bhandar.

Prepare Consignment A/c, Goods Destroyed-in-transit A/c and Kamal Bhandar A/c in the books of Basumati Ltd. Working notes should form part of your answer. 10

2. 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 01.04.2025, following balances appeared in the books of the branch :

Stock (at cost) ₹ 12,000, Debtors ₹ 25,000 and Cash ₹ 6,000.

During the year ended on 31.03.2026, 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 31.03.2026, the branch had Stock ₹ 27,000 and petty cash ₹ 9,000 apart from debtors.

Prepare Patna Branch Account in the books of X & Co. 10

Please Turn Over

(7144)

3. The godown of Mr. K, a trader, caught fire on March 31st, 2026. As a result, stock of goods in the godown of the company were gutted. Goods worth ₹ 41,360 could, however, be saved from the accident. The following particulars are supplied to you :

Stock on January 01, 2020	₹ 60,000
Purchases to the date of fire	₹ 2,60,000
Carriage paid on purchases	₹ 1,600
Sales to the date of fire	₹ 1,80,000
Commission paid to the Purchase Manager at 2% on purchases.	
Average Gross Profit on Sales	33 $\frac{1}{3}$ %

Mr. K had a fire policy of ₹ 1,60,000 covering its stock of goods in the godown. The policy is subject to Average Clause.

You are to ascertain (a) total loss of stock and (b) the amount of insurance claim to be made. 10

4. SD Automobiles sold three motor cars for a total cash price of ₹ 12,00,000 on hire purchase system to Mr. Piyush on 01.01.2024. As per the terms and conditions of the hire purchase agreement, Piyush paid ₹ 3,60,000 as down money and he will have to pay the balance of cash price in three equal annual instalments together with interest @ 10% p.a. on 31.12.2024, 31.12.2025 and 31.12.2026. Piyush charges depreciation @ 25% p.a. under diminishing balance method. Piyush closes his books of accounts every year on 31st December.

Piyush paid the first instalment on the due date but failed to pay the second instalment. SD Automobiles repossessed two cars at a takeover value of ₹ 4,00,000 on 31.12.2025.

Prepare Motorcar A/c and SD Automobiles A/c in the books of Mr. Piyush for the year 2024 and 2025. 10

5. (a) What is Proforma Invoice in connection with consignment?
 (b) "The ownership of unsold stock on Consignment at the end of the accounting period belongs to the consignee and it appears on the Balance Sheet of the Consignee".
 Do you agree with this statement? If not, redraft the statement.
 (c) State the relationship among the Hire Purchase Price, Cash Price and Interest under hire purchase system.
 (d) A, B and C are partners sharing profits and losses in the ratio of 3 : 2 : 1. On 01.01.2026, the partner C retires from service and D is admitted as partner on the same date. The new profit sharing ratio among A, B and D is 3 : 2 : 2.

Premium for goodwill brought in by the new partner D in cash ₹ 1,80,000.

Calculate the sacrificing ratio and in the books of the firm, pass the journal entry for distribution of premium for goodwill among the partners (narration not required). 2+2+1+5

Group - BAnswer **any three** questions.

6. Fire occurred in the godown of Chemical India Ltd. on 01.03.2026 and the business was partially disorganized up to 31.07.2026. Following information are extracted from the books of accounts :

Particulars	₹
Actual turnover from 01.03.2026 to 31.07.2026	2,62,500
Turnover from 01.03.2025 to 31.07.2025	7,35,000
Turnover of the last accounting year [01.01.2025 to 31.12.2025]	14,70,000
Net Profit of the last accounting year [01.01.2025 to 31.12.2025]	2,15,600
Annual Turnover [01.03.2025 to 28.02.2026]	15,75,000
Insured Standing Charges for the last accounting year	1,96,000
Uninsured Standing Charges for the last accounting year	24,000
Savings in insured standing charges	8,880
Policy Value (Loss of profit policy having an indemnity period of 6 months and an average clause)	4,37,500
Upward trend in Turnover [Standard and Annual] observed in the current year	10%

Compute the claim for loss of profit under the policy. Workings should form part of your answer. 15

7. Following is the summarised Balance Sheet of A, B and C, equal partners of M/S ABC & Co., as at 31.12.2025 :

	₹		₹
Capital : A	40,000	Assets (excluding cash)	1,15,000
B	10,000		
C	20,000	Cash & Bank	10,000
Reserve	30,000		
Creditors	25,000		
	1,25,000		1,25,000

They decided to dissolve the partnership and distribute the money at the end of each month starting from January 2026. Assets realized as –

January 2026 - ₹ 22,000; February 2026 - ₹ 28,000 and March 2026 (final realization) - ₹ 38,000.

Show the distribution of cash to creditors and partners every month under surplus capital method. 15

Please Turn Over

8. Kalyani Branch had opening stock of ₹ 40,000 at cost. Goods are always sent by the head office at cost plus 30%. The branch sells goods only in cash and immediately deposits the same to the head office bank account. All expenses of the branch are paid by the head office directly.

During the year, head office sent goods having invoice value of ₹ 1,56,000. The branch sold part of goods at ₹ 1,90,000. Head office incurred an expense of ₹ 7,500 for the branch.

At the end of the year, unsold stock at the branch was ₹ 32,000 at cost.

Show Branch Stock A/c, Goods Sent to Branch A/c, Branch Adjustment A/c and the Branch Profit & Loss A/c in the books of the head office. 15

9. From the following information, prepare Departmental Trading and Profit & Loss A/c and the General Profit & Loss Account for the year ended 31.03.2026 : 15

	Dept. A (₹)	Dept. B (₹)		Dept. A (₹)	Dept. B (₹)
Opening Stock	30,000	40,000	Sales	7,20,000	8,80,000
Purchases	4,00,000	6,00,000	Closing Stock	40,000	60,000
Wages	80,000	50,000	Salaries	38,000	52,000
Carriage inward	10,000	20,000	Stationary	8,000	13,000

Common income and expenses :

Common Expenses : Rent ₹ 48,000; Sales Commission ₹ 64,000; and Accounting & Audit expenses ₹ 30,000.

Common incomes : Discount received ₹ 8,000 and Interest on investment ₹ 29,000.

Other information :

- Area occupied (in square feet) : Department A : 1800; Department B : 1200 and General section : 1,000.
- Sales commission and discount received should be apportioned to the departments considering suitable basis.
- Salary of the general and accounting section is ₹ 46,000 (not included above).
- Transfer of goods at cost by Dept. A to Dept. B ₹ 70,000.

10. Dolly and Molly were working in partnership sharing profits equally. On 31st March, 2026 Dolly decided to retire. It was also decided that Jolly would be admitted as a partner from 1st April, 2026 and her share in profits will be One-Third.

The Balance Sheet of the firm as on 31.03.2026 was as follows :

<i>Liabilities</i>	<i>Amount (₹)</i>	<i>Assets</i>	<i>Amount (₹)</i>
Sundry Creditors	44,100	Land and Building	1,65,150
Capital Accounts :		Motor Car	36,000
Dolly	1,42,900	Furniture	27,900
Molly	1,24,000	Sundry Debtors	72,450
General Reserve	40,000	Cash and Bank Balance	49,500
	3,51,000		3,51,000

It was further decided as follows :

- Goodwill should be valued at ₹ 60,000.
- The Motor Car would be taken over by Dolly at ₹ 40,000.
- The value of Land and Building would be increased by ₹ 24,840.
- The capital of the new partnership would be ₹ 3,00,000 in profit sharing ratio.
- The amount due to Dolly is to be paid in full and other partners would bring or withdraw necessary cash to make their capital as agreed.

Show Revaluation Account, Partners Capital Account and Balance Sheet after admission of the new partner.

5+6+4