SP 36584

Q1(A)

True - 1, 2, 4, 8, 9, 10

False - 3, 5, 6, 7

Q1(B)

1 - X	6 - II
2 - IX	7 - I
3 - VII	8 - VI
4 - X	9 - III
5 - VIII	10 - IV

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Q2

Particulars	Formula	1	2	3	4	5
Annual DD	(A)	2400	2400	2400	2400	2400
Order Size	Q	250	300	600	1200	2400
Ordering Cost Per.	O	15	15	15	15	15
Price P.U.	P	10.00	9.80	8.60	7.50	6.40
Carrying Cost PU	P × C%	2	1.96	1.72	1.50	1.28
No of Orders	A/Q	9.6 ie 10 orders	8	4	2	1
Total Ordering Cost (TOC)	N × O	150	120	60	30	15
Total Carrying Cost (TCC)	$\frac{Q}{2} \times C$	250	294	516	900	1536
Total Purchase Cost [TPC]	[A × P]	24000	23520	20640	18000	15360
Total Cost) [TOC + TCC + TPC]		24400	23934	21216	18930	$\boxed{16911}$

Optimum Order Size 2400 kgs.

Q2. Income statement.

	Angad	Ganesh	Laxmi
Sales	133,33,340	457143	5,60,000
(-) Variable cost	1,00,00,005	297143	392000
Contribution	3,3 3,335	1,60,000	168000
(-) FC	266668	1,20,000	144000
EBIT	66,667	40,000	24000
(-) Int	50,000	30,000	20,000
EBT	16,667	10,000	4000
(-) Tax	5000	3000	1200
NPAT	11667	7000	2800

Q3

Suraj Ltd

Production Budget for Period ended 30th June

Product	CAT (units)	BAT (units)	RAT (units)
Budgeted Sales	1,20,000	1,00,000	1,60,000
Add closing stock	20,000	16,000	28,000
Total	1,40,000	1,16,000	1,88,000
Less Op. stock	16000	18000	24000
	1,24,000	98000	1,64,000
Add Loss in production	5167	2000	10468.
TOTAL.	129167	1,00,000	174468

TOTAL Production for Suraj Ltd

= 403635 units

Q3.

(A) Method I

CA	2385,385
Less CL	5,58,461
Working cap gap	1826,924
25% Own finance	456731
75% Bank finance	1370193

Method II

Current Assets	23,85,385
25% Own source (~~…~~)	(-) 596346
(-) C.L	(-) 5,58,461
W. Cap Gap/ Bank Finance Permissible	1230578

Method III

CA	2385385
(-) Core Current Assets	596346
(-) 25% Own finance	447260
	1341779
(-) C.L.	558461
Bank finance (MPBF)	783318

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Q4

Q3 (B)

	Jan	Feb	Mar	April	May	June
Sales	1,80,000	1,92,000	108000	174000	126000	1,40,000
@ 50%						
Credit	90,000	96000	54000	87000	63000	70,000
60% 2nd		54000	57600	32400	52200	37800
40% 3rd			36000	38400	21600	34800
total				70800	73800	72600

	July
Sales	1,60,000
@ 50%	
Credit	80,000
60% 2nd	42000
40% 3rd	25200
total	67 200

Q4.

Surya Ltd.

Particulars	Present (₹)	Proposed (₹)
Sales	36,00,000	48,00,000
(-) Variable Cost	28,08,000	37,44,000
(A) Contribution @ 22%	792000	1056000
Oppt Cost = Cost of Sales = VC	28,08,000	37,44,000
Collection Period	30 days	20 days
Avg Debtors @ 15%	234000	208000
(B) Oppt. cost	(35100)	(31200)
(C) Bad debts	(54000)	(96000)
(D) Discount	(18000) [36,00,000 x 50% x 1%]	(76800) [48,00,000 x 80% x 2%]
Net Benefit [A - B - C - D]	684900	852000.

Proposal should be accepted

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Ans.

Particulars	Present	A	B	C	D
Sales	25,00,000	28,00,000	30,00,000	31,00,000	31,50,000
(-) VC	20,00,000	22,40,000	24,00,000	24,80,000	25,20,000
Contribution	5,00,000	5,60,000	6,00,000	6,20,000	6,30,000
(-) FC	3,00,000	3,00,000	3,00,000	3,00,000	3,00,000
Profit	2,00,000	2,60,000	3,00,000	3,20,000	3,30,000
Increase in Profit		60,000	1,00,000	1,20,000	1,30,000
Avg Collection (days)	30	45	60	75	90
Drs t/o Ratio	12	8	6	4.8	4
Total cost [FC + VC]	23,00,000	25,40,000	27,00,000	27,80,000	28,20,000
Avg Debtors	191667	317500	4,50,000	579167	705000
Increased.		125833	258333	387500	513333
@ 20%		25167	51667	77500	102667
Incremental Profit		34833	$\boxed{48333}$	42500	27333.

Policy B should be adopted