Test Duration: 45 mins (+ 5 mins reading time)

Maximum Marks: 24 marks

Que 1 MNP Ltd sold 2,75,000 units of its product at ₹ 375 per unit. Variable costs are ₹ 175 per unit (manufacturing costs of ₹140 and selling cost ₹35 per unit). Fixed costs are incurred uniformly throughout the year and amount to ₹3,50,00,000 (including depreciation of ₹ 1,50,00,000) there are no beginning or ending inventories. Required:

i. COMPUTE breakeven sales level quantity and cash breakeven sales level quantity.
ii. COMPUTE the P/V ratio.
iii. COMPUTE the number of units that must be sold to earn an income (EBIT) of ₹ 25,00,000.
iv. COMPUTE the sales level achieve an after-tax income (PAT) of ₹ 25,00,000. Assume 40% corporate Income Tax rate.

(8 marks)

Que 2

Fixed Cost	Rs. 1,20,000
Variable Costs	Rs. 3 p.u.
Selling Price	Rs. 7 p.u.
Sales Quantity/ Production Output	50,000 units

Calculate the profit for each of the following independent situations with the above data:

i. With the data above
ii. with a 10% increase in output & sales.
iii. with a 10% increase in fixed costs.
iv. with a 10% increase in variable costs.
v. with a 10% increase in selling price.
vi. taking all the above situations.

(6 marks)

Que 3 The following particulars are taken from the records of a company engaged in manufacturing two products, A and B, from a certain material:

	Product A	Product B
Selling price p.u.	2500	5000
Material Cost p.u. (@ Rs. 50 per kg)	500	1250
Direct Labour (@ Rs. 30 per hour)	750	1500
Variable Overheads	250	500

Total availability of raw materials is 20,000 kg. and maximum sales potential of each product is 1,000 units, find the product mix to yield maximum profits and find contribution using that product mix.

(10 marks)