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Management Accounting

B. Com III Part.

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Question.

Comp

Calculate gross profit Ratio from the following particulars.

Sales - Rs 5,00,000; Purchase 2,50,000;
 Sales Return - 20,000; Purchase Returns 4,000;
 opening Stock - 40,000; closing Stock 10,000.

Ans.

$$\text{Net Sales} = \text{Sales} - \text{Sales Return}$$

$$= 5,00,000 - 20,000 = 4,80,000$$

$$\text{Cost of Sales} = \text{opening Stock} - 40,000$$

$$+ \text{Purchase} - \frac{2,50,000}{2,90,000}$$

$$(-) \text{Purchase Return} \frac{4,000}{2,50,000}$$

$$(-) \text{closing Stock} \frac{10,000}{2,40,000}$$

$$\text{Net Sales} - \text{Cost of goods sold} = \text{Gross Profit}$$

$$4,80,000 - 2,40,000 = 2,40,000$$

$$\text{Gross Profit Ratio} = \frac{\text{Gross Profit} \times 100}{\text{Net Sales}} \text{ (G.P.)}$$

$$\text{So that } \frac{2,40,000 \times 100}{4,80,000} = 50\%$$

Question (B)

~~Q~~ calculate gross profit ratio
Sales - 1,00,000, gross profit 20%
Cost.

Ans.

Let cost be Rs- 100, profit is
20% on cost.

$$\begin{aligned} \text{Sales} &= \text{C.P.} + \text{profit} \\ &= 100 + 20 = 120 \end{aligned}$$

When selling price is 120 \uparrow Profit
selling price - 1,00,000 \uparrow

$$\text{Profit} = \frac{100,000 \times 20}{120} = 16666$$

Ans.