

- Q.4 M.K. Manufacturing Company manufactured and sold 500 T.V. Set in the Year 2015. The Summarised Trading and profit and Loss Account for the year 2016 is as under. (15)

Particulars	Rs.	Particulars	Rs.
To Cost of Materials	320000	By Sales	1600000
To Direct Wages	480000		
To Manufacturing charges	200000		
Gross profit	600000		
	1600000		1600000
To Management staff Salary	240000	By Gross Profit	600000
To Rent, Rate and Insurance	40000		
To General expenses	80000		
To Selling expenses	120000		
To Net profit	120000		
	600000		600000

For the year 2017, it is estimated that,

- (1) The output and sales will be 2000 T.V. Set.
- (2) Price of materials will rise by 25%.
- (3) Wages rates will rise by 10%.
- (4) manufacturing charges will increase in proportion to the combined cost of materials and wages.
- (5) Selling expenses per Unit will increase by 25%.
- (6) Other expenses will remain unaffected by the rise in output.

Prepare statement showing the price at which TV Set to be manufactured in 2017 should be marketed so as to show a profit of 20% on selling price.

OR

- Q.4 The following figures are available from financial accounts of BR company for the year ended 31-3-16. (15)

	Particulars	Rs.
1.	Sales (60000 Units)	600000
2.	Closing Stock (Finished Stock 20000 Units)	60000
3.	Direct Materials	120000
4.	Direct Wages	90000
5.	Factory overhead expenses	45000
6.	Administration expenses	240000
7.	Selling & Distribution expenses	80000
8.	Interest on Debentures	20000
9.	Income Tax paid	7500
10.	Legal expenses	2500
11.	Profit from shares shatta	12500
12.	Interest on deposit recieved	7500