

- (9) The profit on completed contract is Rs.6,000. This figure has been ignored while calculating the net profit.
- (10) The amount of goodwill written off during the year was Rs.4,000.
- (11) Income from quoted investments of Rs.2,000 has been included in the profit of the year.
- (12) There was a loss on sale of assets of Rs.1,000 which is charged to profit and loss A/c. of the year.

From the above mentioned information calculate

- (a) Return on Gross Capital Employed.
- (b) Return on Net Capital Employed.

OR

(a) What is Capital Employed? Discuss the various variables affecting Return on Capital Employed. 8

(b) Explain the limitations of Return on Capital Employed. 7

Q.2 The following information of Anand Ltd. as on 31-3-2018. 15

Production	25,000 Units
Sales	22,000 Units
Variable production cost	Rs.8 per unit
Fixed production cost	Rs.50,000
Variable selling overheads	Rs.0.50 per unit
Fixed selling overheads	Rs.10,000
Selling price	Rs.20 per unit.

Prepare:

- (i) A statement of income under marginal costing method.
- (ii) A statement of income under Absorption costing method.

OR

Answer the following question

- (1) Write difference between Marginal Costing and Absorption Costing method. 8
- (2) Which are the reasons for different Profit according to marginal and absorption costing method? 7

*****Best of Luck*****