

2007 MBA PROFIT AND LOSS QUESTION PAPER

TIME : 3 HOUR

profit loss based test

Question 1 of 25

Directions: Read the following and answer the question that follow.

Verka is setting up a plant for manufacture and sale of milk.

The investment for the plant is Rs. 20 crore; The following information is known about the different packing size planned

For Break even how many packets of 1 litre should be sold, if there is no sale of 500 ml. packets and the ratio of the sale of 1 litre to 1.5 litre packets is 4 : 1.

1. 32297133

2. 29325512

3. 3625848

4. Cannot be determined

Mark for revision | Unmark

Question 2 of 25

Directions: Read the following and answer the question that follow.

Verka is setting up a plant for manufacture and sale of milk.

The investment for the plant is Rs. 20 crore; The following information is known about the different packing size planned

For which packet, should Verka try to maximise sales to maximise its profits.

1. 300 ml

2. 500 ml

3. 1.5 litres

4. Indifferent between the three sizes

Mark for revision | Unmark

Question 3 of 25

Directions: Read the following and answer the question that follow.

Manu opens an Internet café on 1st Jan 2003. He invests in 12 computers @ Rs. 25,000 per computer. He also invests in the other infrastructure of the centre a sum of Rs.1.5 lakh. He charges Rs. 40 per hour from his customers. The depreciation on computer is 20% annually and depreciation on infrastructure is 25% annually. He has to pay a fixed rental of Rs. 7,000 per month and assistant's salary of Rs. 3,000 per month. Assume a computer works for 12 hours in a day.

If the internet rates per hour have to be dropped drastically to Rs. 20 per hour in the fourth year of operation,

what is Manu's expected profit for the calendar year 2006 assuming an average of 60% occupancy rate for the year?

1. Rs. 3,93,260
2. Rs. 3,93,260
3. Rs.4,23,360
4. None of these

Mark for revision | Unmark

Question 4 of 25

Directions: Read the following and answer the question that follow.

Manu opens an Internet café on 1st Jan 2003. He invests in 12 computers @ Rs. 25,000 per computer. He also invests in the other infrastructure of the centre a sum of Rs.1.5 lakh. He charges Rs. 40 per hour from his customers. The depreciation on computer is 20% annually and depreciation on infrastructure is 25% annually. He has to pay a fixed rental of Rs. 7,000 per month and assistant's salary of Rs. 3,000 per month. Assume a computer works for 12 hours in a day.

Assuming a uniform 80% occupancy rate for the month of April 2003, find his profit or loss for the month.

1. Rs. 120,115
2. Rs. 90,525
3. Rs.1,05,895
4. None of these

Mark for revision | Unmark

Question 5 of 25

café on 1st Jan 2003. He invests in 12 computers @ Rs. 25,000 per computer. He also invests in the other infrastructure of the centre a sum of Rs.1.5 lakh. He charges Rs. 40 per hour from his customers. The depreciation on computer is 20% annually and depreciation on infrastructure is 25% annually. He has to pay a fixed rental of Rs. 7,000 per month and assistant's salary of Rs. 3,000 per month. Assume a computer works for 12 hours in a day.

If Manu estimates a fixed occupancy rate of 80% during the peak hours of 2 to 8 pm and 40% in the off peak hours of 8 am to 2 pm, find the expected profit for him in the month of July 2003.

1. Rs. 89011
2. Rs. 75625
3. Rs. 71675
4. None of these

Mark for revision | Unmark

Question 6 of 25

Directions: Read the following and answer the question that follow.

A train journey from Patna to Delhi by the Magadh Express has 4 classes:

The fares of the 4 classes are as follows:

Patna to Delhi distance: 1100 kilometres. Assume the train does not stop at any station unless otherwise indicated. Running cost per kilometre: AC bogey @ Rs. 25, non AC bogey @ Rs. 10.

Assuming full occupancy in all the classes, for a journey between Patna to Delhi, the lowest profit margin (as a percentage of the running costs) for any class is approximately.

1. 116%

2. 127%

3. 109%

4. None of these

Mark for revision | Unmark

Question 7 of 25

A milkman buys some milk contained in 10 vessels of equal size. If he sells his milk at Rs. 5 a litre, he loses Rs. 200; while selling it at Rs. 6 a litre, he would gain Rs. 150 on the whole. Find the number of litres contained in each vessel.

1. 40 ltr

2. 28 ltr

3. 35 ltr

4. 36 ltr

Mark for revision | Unmark

Question 8 of 25

Directions: Read the following and answer the question that follow.

A train journey from Patna to Delhi by the Magadh Express has 4 classes:

The fares of the 4 classes are as follows:

Patna to Delhi distance: 1100 kilometres. Assume the train does not stop at any station unless otherwise indicated. Running cost per kilometre: AC bogey @ Rs. 25, non AC bogey @ Rs. 10.

Assuming full occupancy, a bogey of which class exhibits the highest profit margin?

1. AC 3 tier

2. AC 2 tier

3. AC first class

4. AC first class

Mark for revision | Unmark

Question 9 of 25

Hotel Aditya has 10 AC single rooms, 5 AC double rooms and 18 non AC rooms. The fixed monthly rent of hotel is 1,50,000. The per day maintenance cost is Rs. 100 for AC double room, Rs. 75 for AC single room and Rs. 40 for non AC room. The per day charges are Rs. 600 for AC double room, Rs. 400 for AC single room and Rs. 250 for non AC room. In April 2003, the occupancy rate of non A/C room was 50%, 70% of AC single room and 40 % of double rooms. Find the profit/loss % for that particular month.

1. 10.33% (profit)

2. 10.33% (loss)

3. 5.67% (loss)

4. No profit no loss

Mark for revision | Unmark

Question 10 of 25

A taxi driver makes a 30% profit on every trip when he carries 4 passengers. The price of CNG gas is Rs. 8 per kg. Find the % profit for the same journey, if he carries 7 passengers and the price of the CNG Gas gets reduced to Rs. 6 per kg. (Assume that in the first condition the revenue per passenger was Rs. 0.50 more than in the second condition and one kg of CNG is consumed in each case)

1. 155%

2. 147%

3. 145%

4. 154.33

Mark for revision | Unmark

Question 11 of 25

A sweet maker makes 620 sweets at a cost of 80 paise per sweet. Out of these, 120 sweets got spoilt and he sells rest of the sweets in such a way, that when he sells 400 sweets, he would have made a profit of 50% on the outlay. Find his actual profit % on the total outlay.

1. 63.75%

2. 87.5%

3. 79.75%

4. None of these

Mark for revision | Unmark

Question 12 of 25

A flat and a piece of land were bought by two friends Raghav and Sita respectively at prices of Rs. 2 lakh and Rs. 2.2 lakh. The price of the flat rises by 20 percent every year and that of land by 10% every year. After two years, they decide to exchange their possessions. What is percentage gain of the gainer?

1. 7.56%

2. 6.36%

3. 4.39%

4. None of these

Mark for revision | Unmark

Question 13 of 25

There would be 10% loss if a toy is sold at Rs.10.80 per piece. At what price should it be sold to earn a profit of 20%?

1. Rs. 12

2. Rs. 12.90

3. Rs. 14.40

4. Rs. 13

Mark for revision | Unmark

Question 14 of 25

A wholesaler sells 30 pens for the price of 27 pens to retailer. The retailer sells the pens at their marked price. Find the % gain for the retailer.

1. 10%

2. 11%

3. 11%.

4. 12

Mark for revision | Unmark

Question 15 of 25

Vijay bought some pens for Rs.540. He lost 2 pens on his way back to shop. Then, he sold the rest of the pens at Rs.6 per pen more than what he gave for them. On the whole transaction, Vijay gained 10% on his outlay. How many pens did Vijay buy?

1. 24
2. 22
3. 18
4. None of these

Mark for revision | Unmark

Question 16 of 25

Sukhdeep begins business of stationary with a capital of Rs. 8,000. After 4 months, he takes in Varun with certain capital. At the end of the year (i.e. 8 months after this), Sukhdeep found that the total profits are twice as great as they would have been, if Sukhdeep had continued alone. Assuming the profit rate constant, what did Varun contribute?

1. Rs. 12000
2. Rs. 1200
3. Rs. 10,000
4. None of these

Mark for revision | Unmark

Question 17 of 25

A man buys a house for Rs 23 lakh. There is a ground rent of Rs. 21500 to be given a year and annual repairs come to $1\frac{1}{2}\%$ of the purchase price of the house. At what rate must he let out the house so as to get a return of 8% on the total investment?

1. Rs.20000 pm
2. Rs.24000 pm
3. Rs.2 lakh a year
4. None of these

Mark for revision | Unmark

Question 18 of 25

A candle vendor buys candles from the manufactures at wholesale price and sells them at retail prices. He buys candles in multiples of scores and sells them in multiples of dozen. He purchases green candles for Rs. 68 per score and sells at Rs. 48 per dozen. He buys white candles at Rs. 56 per score and sells them at Rs. 42 per dozen, and he buys red candles at Rs. 62 per score and sells them at Rs. 44 per dozen. Which of the three candles yields

him the maximum % profit.

1. Red
2. Green
3. White
4. Both B and C

Mark for revision | Unmark

Question 19 of 25

A woman buys mangoes at Rs. 25 a dozen and an equal number at Rs.30 a score. She sells them at Rs.1.80 per piece and thus gains Rs.25 on her outlay. How many mangoes did she buy?

1. 3000
2. 3200
3. 3600
4. None of these

Mark for revision | Unmark

Question 20 of 25

By selling a transistor for Rs. 572, a shopkeeper earns a profit equivalent to 30% of the cost price of the transistor. What is the cost price of the transistor?

1. Rs.340
2. Rs.400
3. Rs.440
4. None of these

Mark for revision | Unmark

Question 21 of 25

A cycle is sold for Rs. 880 at a loss of 20%. For how much should it be sold to gain 10%?

1. Rs.1000
2. Rs.1100

3. Rs.1210

4. Rs.1400

Mark for revision | Unmark

Question 22 of 25

A manufacturer estimates that on inspection 12% of the articles produced will be rejected. He accepts an order to supply 22,000 articles at Rs. 7.50 each. He estimates the profit on his outlay including the manufacturing of rejected articles, to be 20%. Find the cost of manufacturing each article.

1. Rs. 6

2. Rs. 5.50

3. Rs. 5

4. Rs. 4.50

Mark for revision | Unmark

Question 23 of 25

A manufacturer makes a profit of 15% by selling a colour TV for Rs. 6900. If the cost of manufacturing increases by 30% and the price paid by the retailer is increased by 20%, find the profit percent made by the manufacturer.

1. 6.15%

2. 7.25%

3. 6.75%

4. None of these

Mark for revision | Unmark

Question 24 of 25

A cloth merchant says that due to slump in the market, he sells the cloth at 10% loss, but he uses a false metre-scale and actually gains 15%. Find the actual length of the scale.

1. 78.25

2. 76.25

3. 69.25

4. 79.75

Mark for revision | Unmark

Question 25 of 25

A tradesman by means of a false balance defrauds 10% in buying goods and 10% in selling. What % does he gain on his outlay by his dishonesty?

1. 21%

2. 22%

3. 20%

4. None of these

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