Q.1 Surya Industries

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| | Credit period | | | |
|---|---|---|---|---|
| | Current | Proposed policy | | |
| | 1m. | 1.5m | 2m | 3m |
| Sales | 120 | 180 | 150 | 180 |
| (-) VC | 72 | 78 | 90 | 108 |
| Contrib | 48 | 52 | 60 | 72 |
| (-) FC | (30) | (30) | (35) | (40) |
| Profit | 18 | 22 | 25 | 32 |
| (-) Int cost | 1.7 | 2.7 | 4.2 | 7.4 |
| | | | | |
| (-) Bad debts | 0.5 | 0.8 | 1 | 2 |
| | | | | |
| Net profit | 15.8 | 18.5 | 19.8 | 22.6 |

Calⁿ of Int cost

1m : Total cost (72 + 30) : $102 \times \frac{1}{12}$ : $8.5 \times 20\%$ : 1.7

1.5m : $108 \times \frac{1.5}{12}$ : $13.5 \times 20\%$ : 2.7

2m : $125 \times \frac{2}{12}$ : 20.8 : 4.2

3m : $148 \times \frac{3}{12}$ : 37 : 7.4

Q.3 Golden Garment Ltd.

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| | Present 20 days | Proposed policy 30 | 40 | (Days) 50 |
|---|---|---|---|---|
| Sales | 60 | 65 | 70 | 74 |
| (-) VC | (42) | (45.5) | (49) | (51.8) |
| Contrib | 18 | 19.5 | 21 | 22.2 |
| (-) FC | (8) | (8) | (8) | (8) |
| Profit | 10 | 11.5 | 13 | 14.2 |
| (-) Int cost | (0.7) | (1.11) | (1.58) | (2.08) |
| Net profit | 9.3 | 10.39 | 11.42 | 12.12 |

Int cost :- 20 days : $50 \times \frac{20}{360} = 2.78 \times 25\% = 0.7$

30 days : 30 53.5 $\times \frac{30}{360} = 4.46 \times 25\% = 1.11$

40 days : $57 \times \frac{40}{360} = 6.33 \times 25\% = 1.58$

50 days : $59.8 \times \frac{50}{360} = 8.31 \times 25\% = 2.08$

Q.6 Soln:-

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# All customers → new policy

| | Current policy (7m) | Proposed policy (2m) |
|---|---|---|
| Sales (@ 1,000) | 3600,000 | 4500,000 |
| VC [@ 700] | (2520,000) | (3150,000) |
| Contrib | 1080,000 | 1350,000 |
| (-) Int cost | (90,000) | (225,000) + (27,000) |
| Incr profit | 990,000 | 1098,000 |

Incremental profit (Diff) = 1098,000 - 990,000
= 108,000

Int cost cal^n

3600,000 × 1/12
= 300k × 30%
= 90,000

4500,000 × 2/12
= 750k × 30%
= 225,000

W/Cap = ↑ 90k ∴ 90k × 30% = 27k

# only new customers given new policy

| | current policy 1m | Proposed policy 2m (3600k + 25%) |
|---|---|---|
| Sales | 3600,000 | 4500,000 |
| (-) VC | (2520,000) | (3150,000) |
| Contrib | 1080,000 | 1350,000 |
| (-) Int cost | (90,000) | (135,000) + (27,000) |
| Net profit | 990,000 | 1188,000 |

Int cost calc

current policy - m Δ nhi aayga!

Proposed policy : ~~36,000~~ 3600,000 × 1/12 = 300k

= 4500k - 3600k = 150k

900,000 × 2/12

(new customers)

450k

× 30%

135k