

$$\left[\frac{1}{2} + \frac{1}{2} \right] \frac{1}{2} \times \frac{\text{Eco. Tut. 2}}{2} = 8$$

Q.1 Explicit Cost :

12,000	}	37,040
420 × 12		
20,000		

Implicit Cost :

4,000	}	22,000
15,000 (including		
3,000 (Off. Cost)		

Revenue / Sales : 72,000

Accounting Profit (AP) = Revenue - Explicit cost

$$= 72,000 - 37,040$$

$$= \underline{\underline{34,960}}$$

Economic Profit (EP) = AP - Implicit cost

$$= 34,960 - 22,000$$

$$= \underline{\underline{12,960}}$$

Q.2 Revenue : 1,00,000

Explicit Cost : 60,000

Implicit Cost :

1,20,000 × 5%	}	43,000
12,000		
25,000		

AP = Revenue - Exp. Cost

$$= 100,000 - 60,000 = \underline{\underline{40,000}}$$

$$EP = AP - \text{Imp. Cost}$$

$$= 40,000 - 43,000 = -3,000$$

Mr Mehra will suffer economic loss, so he should reduce his expenses

Q3] Revenue : ₹ 20,000

Ex Cost : $\left. \begin{array}{r} 40,000 \\ 15,000 \\ 5,000 \end{array} \right\} 60,000$

Imp Cost : $\left. \begin{array}{r} 50,000 \\ 10,000 \\ 1,000 \end{array} \right\} 61,000$
(including OC)

$$AP = \text{Rev} - \text{Ex Cost} = \underline{\underline{60,000}}$$

$$EP = AP - \text{Imp Cost} = \underline{\underline{-1,000}}$$

$$\text{Economic Cost} = \text{Ex Cost} + \text{Imp Cost}$$

$$\underline{\underline{61,000}}$$

Q4] Revenue : 30 L (L = lakh)

Imp - Cost : 5 L
(+OC) 15 L } 15 L

Exp Cost : $25 \times 12\%$ → 3 L
(+Tax) $30,000 \times 12\%$ → 3.6 L
 $45,000 \times 12\%$ → 5.4 L
 $5,000 \times 12\%$ → 0.6 L
EP × 20% → 0.2 EP

$$EP = \text{Rev} - \text{Imp Cost} - \text{Exp Cost}$$

$$EP = 30L - 15L - 12.6L - 0.2EP$$

$$1.2EP = 2.4L$$

$$EP = 2L$$

$$AP = EP + \text{Imp Cost} = 2L + 15L = 17L$$

$$\text{Exp Cost} = 12.6L + 0.2(2L) = 13L$$

Q5] Revenue : 6,800,000

Exp Cost :	5,000,000	}	6600,000
	1,000,000		
	100,000		
	50,000		
	350,000		
	100,000		

$$a) AP = Rev - Exp Cost = 200,000$$

Imp Cost : 250,000
(+oc)

$$b) EP = AP - Imp Cost = -50,000$$

▷ Tilly's business is in Economic loss.