



Q20. Cost of Revenue from Operations is Rs.1,50,000. Operating expenses are Rs.60,000. Revenue from Operations is Rs.2,50,000. Calculate Operating Ratio
Solution:

$$\begin{aligned}\text{Operating Ratio} &= \frac{(\text{Cost of Revenue from Operations} + \text{Operating Expenses})}{\text{Net Revenue from Operations}} \times 100 \\ &= \frac{(1,50,000 + 60,000)}{2,50,000} \times 100 \\ &= \frac{2,10,000}{2,50,000} \times 100 = 84\%\end{aligned}$$

***** END *****