

date  
8/9/24

Assignment - 5  
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Q: Calculate NPM (Net Profit Margin)

(1)  $NS = GS - (\text{trade Allowance})$  \* [All the amounts in ₹ (Rupees)]

$$NS = 5,00,000 - (2\% \text{ of } 5,00,000)$$

$$NS = ₹ 4,90,000$$

(2)  $CGS = 25,000 + 28,000 = ₹ 53,000$

(3)  $GP = NS - CGS$   
 $= ₹ 4,90,000 - ₹ 53,000$   
 $= ₹ 4,37,000$

(4)  $NP = GP - \text{operating expenses}$

$$NP = 4,37,000 - [80,000 + 5,000 + 75,000 + 28,000 + 70,000]$$

$$NP = ₹ 1,75,000$$

(5)  $NPBT = NP - [72,000] + [9,000 + 9,000 + 10,000]$

$$NPBT = 1,75,000 - 72,000 + 28,000$$

$$NPBT = ₹ 1,31,000$$

⑥

$$NPAT = NP - \text{tax}$$

$$= 1,31,000 - (20\% \text{ of } 1,31,000) \\ = 1,04,800$$

⑦

$$NPM = \frac{1,04,800}{5,00,000} \times 100$$

$$\text{So, } NPM = 20.96\%$$