**Name : Sahil Yadav**

**Roll No: 21ECE1039**

**Branch : ECE**

**Assignment 2:**

**Calculations:**

1. **Calculate Net Sales:**
   * Net Sales = Sales Revenue - Sales Returns - Trade Discount
   * Net Sales = ₹500,000 - (1% \* ₹500,000) - (2% \* ₹500,000)
   * Net Sales = ₹485,000
2. **Calculate Gross Profit:**
   * Gross Profit = Net Sales - Cost of Goods Sold
   * Cost of Goods Sold = Cost of Raw Material + Inventory Consumed
   * Cost of Goods Sold = ₹25,000 + ₹28,000 = ₹53,000
   * Gross Profit = ₹485,000 - ₹53,000 = ₹432,000
3. **Calculate Operating Profit:**
   * Operating Profit = Gross Profit - Selling Cost - Administration Expenditure - Factory Overhead Charges
   * Operating Profit = ₹432,000 - ₹80,000 - ₹74,000 - ₹28,000 = ₹250,000
4. **Calculate Profit Before Tax:**
   * Profit Before Tax = Operating Profit + Gain from Old Capital Stock + Royalties Earned - Loss Estimated due to Fire
   * Profit Before Tax = ₹250,000 + ₹9,000 + ₹9,000 - ₹72,000 = ₹206,000
5. **Calculate Net Profit:**
   * Net Profit = Profit Before Tax - Income Tax
   * Income Tax = 20% \* ₹206,000 = ₹41,200
   * Net Profit = ₹206,000 - ₹41,200 = ₹164,800
6. **Calculate NPM:**
   * NPM = (Net Profit / Net Sales) \* 100
   * NPM = (₹164,800 / ₹485,000) \* 100
   * NPM ≈ 33.98%