



INDIAN SCHOOL AL WADI AL KABIR

Class: XII	Department: Commerce
Worksheet: 1 Objective & Descriptive Type Questions	Topic: Business Arithmetic

Q. No.	OBJECTIVE TYPE QUESTIONS
1	Identify which of the following is NOT a benefit of estimating the breakeven point for a multi-product business. SQP 2025 A.Setting profit goal. B.Setting sales target. C.Determining the sales mix ratio. D.Determining the products that are not contributing to meet the fixed expenses.
2	At BEP, which of the condition is to be fulfilled: (Choose the correct option) A. Total Revenue = Total Profit B. Total Profit = Total Cost C. Total revenue = Total cost D. Total Revenue = fixed cost.
3	The _____ is the Unit of Sale for multi-product business.
4	The average billing per customer is considered as _____ for multi-product business.
5	If 70 customers bought goods worth Rs,21,000, then the unit price is _____
6	If the purchase price is 80% of selling price, and the selling Price is Rs,2,000. Then the gross profit per unit earned by the business is: (Choose the correct answer) A.Rs.1,000 B.Rs.500 C.Rs.1,600 D.Rs.400
7	If procurement or manufacturing lead time is 2 months, and demand during this period is expected to be 300 units per month, then the re order level is: (Choose the correct option) A.150 units B.600 units C.100 units D.500 units
8	What is EBITDA?
9	The formula for Break even point for a single product business is: (Choose the correct option)

	A. Fixed cost/Selling price B.Fixed cost/ (unit price – unit cost) C. Fixed cost/ Gross margin per unit. D. Both B and C
10	Harshit is the stock keeper of Sita Textiles Ltd. The company is into converting cotton yarn into fabric and then further printing on the same to add value to the fabric. He wants to know the ideal quantity of yarn to be ordered so that the production process does not stop. How can he know the ideal quantity to place an order? A. By calculating Break-even point B. By calculating Re-order point C. By calculating Economic order quantity D. By calculating lead time
11	The total bill in a restaurant during a week was ₹ 18,000. Though the food bill for individual customer was different but the average bill amount was ₹ 150. Based on this information, the number of customer who ate in that restaurant during the week is_____? A.90 B.100 C.120 D.140
12	Farhan sold a mobile hand set for ₹ 2,100. If the purchase price of the product is 80% of its selling price, the profit earned by Farhan is : A. ₹ 1,700 B. ₹ 1,680 C. ₹ 420 D. ₹ 400
13	A business having Cash in hand Rs.2,000; Short term Investment Rs.5,000, Debtors Rs.10,000; Creditors Rs.4,000 and bank overdraft Rs.1,000. The amount of Gross Working capital is: (Choose the correct answer) A. Rs.17,000 B. Rs.12,000 C. Rs.6,000 D. Rs.15,000
14	A grocery store owner has an equity stake of Rs. 40,000 in the business. He has borrowed Rs.60,000. This will attract an interest of @ of 10% per annum. The net profit after tax is Rs. 14,000. Calculate the ROE. (Choose the correct option) A.25% B.30% C.35% D.40%
15	State True or False: Economic order quantity (EOQ) is the order quantity of inventory that maximizes the total cost of inventory management.
DESCRIPTIVE TYPE QUESTIONS	
16	A hotel had varying number of guests during five weeks. The information regarding the number of guests and the average weekly billing is presented in the following table :

Week	No. of Guests	Average Billed Amount ₹
1	240	300
2	120	410
3	140	292
4	160	442
5	180	480

What is the 'Unit of Sale' and 'Unit Price' in this case ? (b) If the cost of goods sold or variable cost is 60% of the sales price, calculate the 'unit cost' and the 'gross profit'.

- 17 A business deals in the following products: A, B, C and D. The Selling Price: Rs.100,000; Rs.50,000; Rs.70,000 and Rs.2,00,000 respectively Variable Cost: Rs.30,000; Rs.25,000; Rs.30,000 and Rs.100,000 respectively. Allocated Fixed Expenses per month: Rs.350,000; Rs.2,50,000; rs.10,00,000 and Rs.15,00,000 respectively Compute Break Even Level , show the working.

- 18 Flavouright Foods Ltd.' started a business of making nachos (corn chips) in three variants, Classic Cheese, Toasted Corn and Tangy Tomato. To start with, all the three variants will be sold in a standard packing of 100 gm each, the selling price would differ due to the ingredients used. Fixed costs are Rs.38,000.
Sales price and variable costs per unit are as follows :
From the above information calculate :
(a) Weighted contribution margin per unit.
(b) Breakeven point – total and per product.

- 19 Joginder is a fruit seller. The following information relates to his weekly sales:

Fruit	Price (per kg)	Units sold (in kgs)
Apple	200	50
Mango	350	40
Water melon	300	20
Leechi	250	40

40 customers visited his shop last week.

If unit cost is 60% of the unit price, calculate unit price and unit cost.

SQP 2025

- 20 A furniture shop sells two types of beds, king and queen size, which are sold in the ratio of 2:3 respectively. Following data relates to the two products:

	King Size	Queen Size
Sales price (in ₹)	20,000	15,000
Variable cost (in ₹)	17,000	13,000

Calculate the Weighted Average Contribution Margin.

SQP 2025

21	State the two types of costs associated with the estimation of Economic Order Quantity (EOQ). SQP 2025
22	A company sells 2,000 units of a product annually. The ordering cost per order is ₹ 400, and the holding cost per unit per year is ₹ 10. The lead time for delivery is 10 days, and the daily demand for the product is 40 units. SQP 2025 I Calculate the Economic Order Quantity (EOQ). II Calculate the Re-order Level for the company. III State the importance of calculating Re-order Level by the company.