



INDIAN SCHOOLAL WADI AL KABIR

Class: XI	Department: Commerce
Chapter 6 - OTQ&DTQ Objective & Descriptive Type Questions	Topic: Business Finance and Arithmetic

Q. No.	OBJECTIVE TYPE QUESTIONS
1	_____ can be broadly categorized in to Fixed and Variable Costs. a. Variable expenses b. Fixed expenses c. Operational cost d. Total cost
2	_____ is an important concept and it is the heart of any business. a.Profit b.Point of sale c.Selling point d.Unit of Sale
3	At the break-even level, Total Revenue= _____. a.Total Loss b.Total Earnings c.Total Profit d.Total Expenses
4	The main purpose of working capital is to: a. Purchase fixed assets b. Meet day-to-day operational expenses c. Repay long-term loans d. Pay dividends
5	For a Lawyer's service, what is unit of sale? a.Number of cases won b.Legal fees charged c.Number of clients represented d.Time in hours for each client
6	What is unit of sale? a.Total revenue generated from sales b.Profit earned per product c.Measure of product/service sold

	d.Total number of items available for sale		
7	Items / Services (Column A)	Unit of Sale (Column B)	
	1. Doctor consultation	A. Per piece	
	2. Rice	B. Per hour / Per session	
	3. Soap	C. Per kg	
	4. Movie subscription	D. Per tube	
	5. Bicycle	E. Per month / Per year	
	6. Taxi ride	F. Per night	
	7. Juice	G. Per trip / Per km	
	8. Hotel stay	H. Per litre	
	9. Mobile recharge	I. Per ticket	
	10. Ticket to amusement park	J. Per recharge	
8	Excess of Unit Price over Unit Cost is known as the Unit Gross Profit or _____.		
	a.Gross Unit Margin b.Gross Unit c.Unit Gross Price d.Unit Gross Margin		
9	_____ is the price at which one unit of sale is sold.		
10	“The worst crime against working people is a company which fails to operate at a profit”was quoted by _____.		
11	Formula to calculate Gross Profit per unit is _____ (minus) _____.		
	a.Fixed cost – Variable cost b.Gross Margin – Gross Price c.Unit Price – Unit Cost d.Unit Cost – Unit Price		
12	Unit of sale is required to understand the _____ in an easy and standardized manner and for tracking the past with the future and to be able to take corrective action.		
	a. economics of the business b. statistics of the business c. both a&b d. none of the above		

Q.No.	DESCRIPTIVE TYPE QUESTIONS														
1	Define the term 'Break-even point'. State the purpose of calculating Break Even point?														
2	Define: Unit cost														
3	What is meant by unit price?														
4	List the two broad categories of cost.														
5	Define: Operational cost and state its classification.														
	NUMERICALS														
6	<p>Galaxy Sports manufactures premium sports shoes. The company's cost structure per unit is:</p> <table border="1"> <thead> <tr> <th>Cost Component</th><th>Cost per Unit (Rs.)</th></tr> </thead> <tbody> <tr> <td>Raw Materials</td><td>800</td></tr> <tr> <td>Labour</td><td>300</td></tr> <tr> <td>Packaging</td><td>50</td></tr> <tr> <td>Selling & Distribution</td><td>150</td></tr> <tr> <td>Selling Price per Unit</td><td>1,500</td></tr> <tr> <td>Fixed Costs (per month)</td><td>4,50,000</td></tr> </tbody> </table> <ol style="list-style-type: none"> 1. Calculate total variable cost per unit. 2. Calculate contribution per unit. 3. Calculate break-even point in units. 4. Calculate units needed to achieve a target profit of Rs.2,25,000. 	Cost Component	Cost per Unit (Rs.)	Raw Materials	800	Labour	300	Packaging	50	Selling & Distribution	150	Selling Price per Unit	1,500	Fixed Costs (per month)	4,50,000
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7	<p>Ocean Electronics produces Bluetooth speakers. The company's cost structure per unit is:</p> <table border="1"> <thead> <tr> <th>Cost Component</th><th>Cost per Unit (Rs.)</th></tr> </thead> <tbody> <tr> <td>Raw Materials</td><td>600</td></tr> <tr> <td>Labour</td><td>250</td></tr> <tr> <td>Packaging</td><td>100</td></tr> <tr> <td>Advertising & Selling</td><td>50</td></tr> <tr> <td>Selling Price per Unit</td><td>1,200</td></tr> <tr> <td>Fixed Costs (per month)</td><td>3,00,000</td></tr> </tbody> </table> <ol style="list-style-type: none"> 1. Calculate total variable cost per unit. 2. Calculate contribution per unit. 3. Calculate break-even point in units. 4. Calculate units needed to achieve a target profit of Rs.1,20,000 	Cost Component	Cost per Unit (Rs.)	Raw Materials	600	Labour	250	Packaging	100	Advertising & Selling	50	Selling Price per Unit	1,200	Fixed Costs (per month)	3,00,000
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8	<p>Stellar Furniture produces wooden chairs. The cost structure per chair is:</p> <table border="1"> <thead> <tr> <th>Cost Component</th><th>Cost per Unit (Rs.)</th></tr> </thead> <tbody> <tr> <td>Wood & Materials</td><td>2,500</td></tr> <tr> <td>Labour</td><td>800</td></tr> <tr> <td>Finishing & Paint</td><td>300</td></tr> <tr> <td>Packaging & Delivery</td><td>200</td></tr> <tr> <td>Selling Price per Unit</td><td>4,500</td></tr> </tbody> </table>	Cost Component	Cost per Unit (Rs.)	Wood & Materials	2,500	Labour	800	Finishing & Paint	300	Packaging & Delivery	200	Selling Price per Unit	4,500		
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9	<p>Apex Electronics manufactures LED TVs. The cost and sales details per unit are as follows:</p> <table> <tr> <th>Particulars</th><th>Amount (Rs.)</th></tr> <tr> <td>Direct Materials per unit</td><td>18,000</td></tr> <tr> <td>Direct Labour per unit</td><td>5,000</td></tr> <tr> <td>Variable Overheads per unit</td><td>2,000</td></tr> <tr> <td>Selling & Distribution per unit</td><td>1,000</td></tr> <tr> <td>Fixed Costs per month</td><td>30,00,000</td></tr> <tr> <td>Selling Price per unit</td><td>30,000</td></tr> </table> <ol style="list-style-type: none"> 1. Calculate total variable cost per unit. 2. Calculate contribution per unit. 3. Calculate break-even point in units. 4. Calculate units needed to achieve a target profit of Rs.15,00,000 	Particulars	Amount (Rs.)	Direct Materials per unit	18,000	Direct Labour per unit	5,000	Variable Overheads per unit	2,000	Selling & Distribution per unit	1,000	Fixed Costs per month	30,00,000	Selling Price per unit	30,000
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10	<p>Star Furniture Ltd. manufactures office chairs. The details for the month are:</p> <table> <tr> <th>Particulars</th><th>Amount (Rs.)</th></tr> <tr> <td>Selling Price per Unit</td><td>2,500</td></tr> <tr> <td>Variable Cost per Unit</td><td>1,500</td></tr> <tr> <td>Fixed Costs</td><td>4,00,000</td></tr> <tr> <td>Actual Sales (units)</td><td>1,200</td></tr> </table> <ol style="list-style-type: none"> 1. Calculate the break-even point in units. 2. Calculate the Margin of Safety in units. 	Particulars	Amount (Rs.)	Selling Price per Unit	2,500	Variable Cost per Unit	1,500	Fixed Costs	4,00,000	Actual Sales (units)	1,200				
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