



INDIAN SCHOOL AL WADI AL KABIR

Class: XI	Department: Commerce
Worksheet No: 6	Topic: BUSINESS FINANCE AND ARITHMETIC

MULTIPLE CHOICE QUESTIONS

1. 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

2. 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

3. Match the following

Items	Unit of sale
(i) Fuel station	(a) metre
(ii) Real estate	(b) kilogram
(iii) Textile shop	(c) litre
(iv) Vegetable vendor	(d) square feet

- A. i-c; ii-d; iii-a; iv- b
- B. i-b; ii-d; iii-a; iv- c
- C. i-c; ii-a; iii-d; iv- b
- D. i-b; ii-c; iii-a; iv- d

4. What is the primary reason for starting a business?

- A. achieve break-even point
- B. generate profit
- C. increase sales volume
- D. minimise expenses

5. Excess of unit price over unit cost is defined as _____.

- A. Expense
- B. Cost
- C. Expenditure
- D. Gross profit

6. ASSERTION: Salary, rent, insurance are examples of fixed cost.

REASON: Water bill for a soft-drinks manufacturing company is a variable cost.

- A. Both Assertion and Reason are true but Reason is not a correct explanation

- B.Assertion is true, Reason is false
- C. Both Assertion and Reason are true and Reason is a correct explanation
- D. Assertion is false, Reason is true

7.At Break even point, which of the following condition is true?

- A.Total Profit = Total Expense
- B.Total revenue = Total expense
- C.Total revenue = Total profit
- D.Total expense = Total loss

8.If the contribution per unit is Rs.9 and the fixed cost for the business is Rs.6,300, then the Break even point is

- A.600 units
- B.675 units
- C.700 units
- D.900 units

DESCRIPTIVE TYPE QUESTIONS

9.Define: Unit cost

10.What is meant by unit price?

11.List the two broad categories of cost.

12.State 4 examples of start-up cost

13. Define the following terms:

(a)Expenditure (b) Expense (c) Cost

14.Define: Operational cost and state its classification.

15.Define: Fixed cost. State few examples.

16.Define: Variable cost. State few examples.

17.What is meant by Break-even point?

18.State the purpose of calculating Break Even point?

19.Sweet Treats a bakery selling cup cakes for Rs.25 per piece. The variable cost per cake is Rs.10. The fixed cost is Rs.12,000. Calculate the number of cupcakes the bakery must sell to reach break-even.

20. The following information relates to a company, which produces a single product.

Direct labour per unit Rs. 22.

Direct materials per unit Rs.12.

Variable overheads per unit Rs.6.

Fixed costs Rs. 4, 00,000.

Selling price per unit is Rs. 60.

Use the figures above to show the minimum number of units that must be sold for the company to break even.

21.XYZ Ltd spends the following:

Variable manufacturing cost = Rs.15 per unit

Variable selling cost = Rs.5 per unit.

The total fixed cost is Rs.1,00,000.

Selling price per unit = Rs.30.

(i) Calculate break-even point in units.

(ii) The company sets a target profit of Rs.1,20,000. How many units must be sold to earn the target profit.