

**BUSINESS FINANCE AND ARITHMETIC**

<b>I</b>	<b>Answer each of these questions in about fifteen words (1 Mark)</b>
1	What do you mean by Unit of Sale?
2	What do you mean by Gross Profit?
3	Name the type of tax which can be included as a cost element in computation.
4	Why maintaining cash book or register is very essential for every business?
<b>II</b>	<b>Answer each of these questions in about fifty words (2 Marks)</b>
1	Distinguish between fixed cost and variable cost. Give examples.
2	What do you mean by Start- up cost? Identify the areas for requirement of startup cost.
3	What do you mean by Cash Inflow and Cash Outflow?
4	‘Profit is not to be considered as Inflow’. Comment with apt reason.
<b>III</b>	<b>Answer each of these questions in about one seventy five words (3 Marks)</b>
1	Give one difference between Direct Tax and Indirect tax.
2	Why motive of Business is to learn profit and not Loss?
3	Give one different between Cash flow and Income statement.
4	What do you mean by Non-Cash Expenses?
5	Distinguish between cost and expenses.
<b>IV</b>	<b>Answer each of these questions in about two hundred and fifty words: (4 Marks)</b>
1	What do you mean by Break Even Point?
2	How much profit can we earn? Is there any policy of the Government for Maximum Profit earning?
3	Identify the following items as inflow/outflow. Also give reason for your choice. (a). raw material(b). Depreciation( c.) Machinery purchased(d.) Loan from bank (e) Equity shares issued ( f.) Excise duty paid ( g.) Profit on sale of asset( h). interest received on investments.
<b>V</b>	<b>Answer the following in about 250 words: (6 Marks)</b>

1	Explain why break-even analysis is of reduced value to a multi-product firm? Analyze the factors that any business should take into consideration before using break-even analysis as a basis for decision making.
2	<p>Find our Break Even Point from the following information:</p> <p>(a) Fixed cost                      = Rs.40,000</p> <p>(b) Variable cost                 =Rs.2 per unit</p> <p>(c) Selling price                  =Rs.4 per unit</p>
3	<p>The following information relates to a company, which produces Plastic Bottles.</p> <p>Direct Labour per unit                      Rs.10</p> <p>Direct Material per unit                      Rs.25</p> <p>Variable overheads per unit                      Rs.5</p> <p>Fixed costs                                      Rs.30,000</p> <p>Selling price per unit                      Rs.100</p> <p>Calculate:</p> <p>(i)      Variable cost per unit</p> <p>(ii)     The minimum number of units that must be sold for the company to break even</p> <p>(iii)    Show break even in terms of rupees.</p>