# Assignment 8

The due date for submitting this assignment has passed. As a reminder, you have not submitted this assignment.

1. The following financial data for the company, which has the data shown in Table for two consecutive years is provided:  

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales Revenue (Rs)</th>
<th>Operating Expenses (Rs)</th>
<th>Profit (Rs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>100000</td>
<td>50000</td>
<td>50000</td>
</tr>
<tr>
<td>2020</td>
<td>120000</td>
<td>60000</td>
<td>60000</td>
</tr>
</tbody>
</table>

(a) Compute the rate of return on investment (ROI) for both years.  
(b) Comment on the trend in ROI over the two years.

2. In the last two years, a small firm managed to increase its sales revenue from Rs. 50000 to Rs. 60000. Its operating profit has also increased from 12% to 18%. The degree of combined leverage would be _______.

3. The following is a list of inventory costs:

- Ordering cost
- Storing cost
- Carrying cost
- Purchase cost

Which of the following is true?

- Only (a) is correct.
- Only (b) is correct.
- Only (c) is correct.
- (a), (b), and (c) are correct.

4. To increase margins of safety, the following measures can be taken:

- Increase in selling price
- Decrease in fixed costs
- Increase in variable costs
- Decrease in fixed asset costs

Which of the following is true?

- Only (a) is correct.
- Only (b) is correct.
- Only (c) is correct.
- Only (d) is correct.

5. If 10000 units, order costs are Rs. 2000 per order, and sales total 10000 units, what is the carrying cost per unit?

6. The cost of insurance and taxes are included in:

- Cost of inventory
- Annuity cost
- Insurance cost
- Carrying cost

7. If a company has an annual sales of Rs. 100000, the following are the details:

- Actual sales = Sales at Break-even point
- Variable costs = Sales at Break-even point
- Fixed costs = Sales at Break-even point

The break-even sales quantity will be _______.

8. If the annual sales quantity is 150000 units, the company will have a sales revenue of _______.

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**Due on 2023-03-25, 23:59:59 ET**