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Session 2022-23  
Main Zone-3, Set-1

Q-33\*



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$$\text{Gross Profit Ratio} = \frac{\text{Gross Profit}}{\text{Revenue from Operations}} \times 100$$

$$\begin{aligned} \text{Credit Revenue from Operations} &= \text{Trade Receivables Turnover Ratio} \times \text{Average Trade Receivables} \\ &= 6 \times 2,00,000 \\ &= \text{Rs. } 12,00,000 \end{aligned}$$

$$\text{Then, Revenue from operations} = \text{Cash revenue from operations} + \text{Credit revenue from operations}$$

$$x = \frac{x}{4} + 12,00,000$$

$$\frac{3x}{4} = 12,00,000$$

$$x = 12,00,000 \times \frac{4}{3}$$

$$\text{Revenue from Operations or } x = \text{Rs. } 16,00,000$$

$$\begin{aligned} \text{Cost of Revenue from Operations} &= \text{Average Inventory} \times \text{Inventory Turnover Ratio} \\ &= 1,60,000 \times 8 \\ &= \text{Rs. } 12,80,000 \end{aligned}$$

$$\text{Gross Profit} = \text{Revenue from operations} - \text{Cost of revenue from operations}$$

$$\text{Now, Gross profit} = 16,00,000 - 12,80,000$$

$$= \text{Rs. } 3,20,000$$

$$\text{Gross Profit Ratio} = \frac{3,20,000}{16,00,000} \times 100 = 20\%$$