Unit Test:- I - B·Com-III (B&C)
Advanced Accountancy Paper-I
Topic:- Insurance claim-Loss of Profit Policy.

DATE 11/10/2019

Attendance Sheet

Sr. No	Roll No	Name	Sign	Marks (10)
1)	8616	Koushar chondso mulani.	Kmulani	10
2)	8645.	Pranjal Mahendra Patil	PPatil	10
3)	8648	Rutuja Ravindra Patil.	RRPatil.	10
4)	8536	Supriya Ashok Desai	Desai.	10
5)	8519	Sujata Baban Bhumkar	SBhumkar	10
6)	8598	Swapnali Krishnat Kumbhar	SKK	10

(Mr. U. D. Dabade)

11/10/2019

VIVEKANAND COLLEGE KOLHAPUR

Scanned with OKEN Scanner

Name :- Kousar Chondso [illegible] Date: 11.05. 2019.
Roll No:- 8616.

Advance Accountancy

Unit. Test No :- 1

Loss of Profit policy

Q. From the following information calculate the Amt. of claim under loss of profit Policy.

Date of fire - 1^{st} April 2010.
Period of Indemnity 4 months.
Policy Amt ₹ : 300,000
Sales from 1^{st} Jan 2009 to 31^{st} Dec 2009 ₹ 18,00,000.
Sales ferom 1^{st} April 2009 to 31^{st} march 2010 ₹ 20,00,000.
Net profit for the year ended 31^{st} Dec 2009 ₹ 200,000
and standing charghes ₹ 200,000 (out which ₹ 40,000 were uninsured).
Sale during dislocation period 200,000 and during the corresponding period ₹ 600,000.

Short sales.

	sale for the preciding privious year.	6,00,000
less:-	Indemnity period of sale.	200,000
	short sale.	400,000

G/P Rate = (Net Profit + Insured standing charges / Annual sale) × 100

$= \frac{200,000 + 200,000}{20,00,000} \times 100$

$= \frac{400,000}{20,00,000} \times 100$

$\boxed{\text{G/P Rate : } 20\%}$

3] Indemnity Ratio = $\frac{\text{Amt. of Policy}}{\text{sale for 12 month. (Annual sale)}} \times 100$

$= \frac{300{,}000}{20{,}00{,}000} \times 100$

$= 15\%$

4] G/P on Annual sales

$= G/P \times \text{Annual sale}$

$= 20\% \times 20{,}00{,}000$

$= 400{,}000$

5). loss of Profit = short sales × G/P Rate

$= 400{,}000 \times 20\%$

$= 80{,}000$

6) Avg. clause = $\frac{\text{Amt. Policy}}{\text{G/P on annual sale}} \times \text{loss of Profit}$

$= \frac{300{,}000}{400{,}000} \times 80{,}000$

Avg. clause = 60,000

Or.

Amt. claim = short sale × lower of two Ratio

$= 4{,}00{,}000 \times 15\%$

$= 60{,}000$

10/10

Name:- Pranjal Mahendra Patil.
Roll No:- 8645

Advance Accounting -I
TEST NO:- 2

DATE 11/10/2019

Loss of Profit Policy.

From the following information calculate the amt of claim under loss of profit policy.

Date of fire 1-4-2010
period of indemnity 4 months
amt of policy 300000
sales from 1-1-2009 to 31-12-2009 1800000
sales from 1-4-2009 to 31-4-2010 2000000
N/P for year ended 31-12-2009 200000
standing charges 200000
(out of which ₹ 40000 were uninsured)
sales during this location period 200000
& during the corresponding period in last year 600000

Short sales

standard sales	600000.
Less: Actual sales.	200000
short sales =	400000.

Gross profit ratio =

$$\frac{\text{N/P + insured standing charges}}{\text{sales for previous year}} \times 100$$

$$\text{ratio} = \frac{200000 + 160000}{1800000} \times 100$$

G/P ratio. = $\boxed{20\ \%}$

Indemnity Ratio =

$$\frac{\text{Amt of policy}}{\text{Annual sales}} \times 100$$

$$= \frac{300000}{2000000} \times 100$$

$$= \boxed{15\ \%}$$

~~Loss~~ G.P on Annual sales.

20% on 2000000.

400000.

Loss of Profit =

short sales x G.P rate.

= 400000 x 20%.

= 80000

Average clause =.

$$\frac{\text{Amt of policy}}{\text{G.P on annual sales}} \times \text{Loss of prod}$$

$$= \frac{300000}{400000} \times 80000$$

Avg clause. $= \boxed{60000.}$

OR

Amt of claim =.

short sales x lower than above two ratios.

= 400000 x 15%.

Amt of claim = $\boxed{60000.}$

13/15

Name:- Rutuja Ravindra Patil.
Roll No.:- 8648

DATE 11/10/2019

TEST No. 2.

Loss of Profit Policy

Que.:- From the following info. Calculate the Amt. of claim under loss of profit policy.

Date of fire :- 1-4-2010.

Period of indemnity :- 4 Months.

Policy amt ₹ 300000/-

Sales from 1-1-2009 to 31-12-2009	1800000
Sales from 1-4-09 to 31-3-2010	2000000
Net profit for the year ended 31-12-2009	200000
Standing charges	200000
(out of which ₹ 40000 were uninsured)	
Sales during dislocation period	200000
During the corresponding period in the last year	600000

Soln:-

① Short sales :-

	Sales for previous corresponding year to the indemnity period.	600000
less:-	Sales for indemnity period (1-4-2010 to 31-7-2010)	200000
	Short sales	$\boxed{400000}$

② GP Rate :-

$$= \frac{\text{NP} + \text{Insured standing charges}}{\text{sales for previous year}} \times 100$$

$$= \frac{200000 + 160000}{1800000} \times 100$$

$$= \boxed{20\%}$$

③ Indemnity Ratio

$$= \frac{\text{Amt. of Policy}}{\text{sales for 12 Months preceding the DOF}} \times 100$$

$$= \frac{300000}{2000000} \times 100$$

$$= \boxed{15\%}$$

④ G/P on Annual sales

$= 20\% \times 2000000$

$= 400000$

⑤ Loss of profit = short sales × G/P Ratio

$= 400000 \times 20\%$

$= \boxed{80000}$

⑥ Average clause $= \frac{\text{Amt. of policy}}{\text{G/P on Annual sales}} \times$ loss pro

$$= \frac{300000}{400000} \times 80000$$

$$= \boxed{60000}$$

OR without considering average clause:

⑦ Amt. of claim = short sales × lower of above two Ratio

$= 400000 \times 15\%$

$= \boxed{60000}$

10/10

Roll NO - 8536
Date - 11/10/2019

DATE / /

from the following information calculate the amt claim under loss of profit policy

date of fire 1 Apr 2010
period of indemnity 4 months
policy Amt of 3,00,000
Sales from 1st Jan 2009 to 31 Dec 2009 ₹ 18,00,000
Sales from 1 Apr 2009 to 31 March 2010 ₹ 20,00,000
Net profit for the year ended 31 Dec 2009 ₹ 200000
Standing charges ₹ (200000) (out of 40,000 is uninsured)
Sales during dislocation period 200000 and during the corresponding period year last year 600000/-

Actual sales = 200000
estemeted sales = 600,000
last 12 months sales = 20,00000
last treding year sales = 18,00,000
policy Amt = 3,00000

Short sales = Estimeted sales - Actual sales
= 6,00,000 - 2,00,000
Short sales. = 400,000

G.P Ratio = $\frac{\text{N.P + Standing Charges}}{\text{last treding year sales}} \times 100$

= $\frac{200000 + 160000}{1800000} \times 100$

G.P Ratio. = 20%

Indemnity Ratio = $\frac{\text{Sum insured}}{\text{last 12 months Sales}} \times 100$

$= \frac{3,00000}{20,00000} \times 100$

Indemnity Ratio = 15%

Amt of claim = short sales x Indemnity Ratio

= 400000 x 15%

Amt of claim = 60,000

10/10