Vivekanand College, Kolhapur (An Empowered Autonomous Institute)

Department of Commerce

B. Com-III, Sem-V (Group-A)

Subject -Advanced Accountancy Paper -I

Surprise test on Insurance Claim-Loss of Profit Policy

Attendance

Date: 25th September, 2025

Vivekanand College, Kolhapur ESTD. JUNE 1964 (An Empowered Autonomous Institute)

Sr. No.	Name of Students	(M/F)	Sign	Marks
1)	Megha Sadashiv Vhanoli	F	Mv	10
2)	Padma babulal sutar	F	PS	00
3)	Shivani Dhanaji Jagtap	F	Shiv.	00
4)	Pratiksha Uttam Parit	F	PParit.	08
5)	Snehal Shreekant Waje	F	SWaje	04
6)	Madhura Santosh Suryavanshi	F	Msuryavanshi	04
7)	Arpita Hoyaku chougule	F	AC.	00
8)	Vaishnavi satish shinde	F	Shinde	00
9)	Prajakta Mansing Jagtap	F	PJagtap	~~08~~ 10
10)	Divya Nitin Khandekar	F	[illegible]	08
11.	Sejal Sourabh Mujumdar	F	SS.Mujumdar	00
12.	Srushti Prashant Desai	F	S.P.Desai	02
13.	Sakshi Sanjay Shewale	F	Shewale	02
14.	Sneha Sharad Girigosavi	F	Girigo	04
15.	Shruti Yallappa Koli	F	SYKoli	10
16.	Aditi Amar Taste	F	Aditi	09
17.	Pratiksha Shrirang Salunkhe	F	Salunkhe	10
18.	Nikam Rutuja Sandip	-II-	Nikam.	10
19.	Rutuja Shivaji Diwale	F	Rd	00
20.	Shweta Ramdev Sutar	F	[illegible]	10
21	Shruti Umesh Gavali	F	Gavali	00
22	Aayesha Ashok Khot	F	AKhot.	10
23	Saniya S Patvegar	F	Patvegar	04
24	Krutika S. Patil.	F	Kpatil.	10
25	Madhura Sagar Sawant	F	Msawant	10
26.	Aradhita Umesh Jadhav.	F	A.U.Jadhav.	06
27.	Gauri Ravindra Kulkarni	F	GauriRK	10
28.	Anjali Anil Valake	F	AValake.	00

Sr. No.	Name of Students	(M/F)	Sign	Marks
29.	Vaishnavi Vijay Tiware	F	V.V.Tiware	08
30.	Samruddhi Sunil Sankpal	F	Samy	07
31.	Mugdha Milind Gulvani	F	MMG	00
32	Sakshi Kiran Patil	F	Patil	08
33	Siddhi Sadashiv Kolasekar	F	SKolkar	01
34	Dakshayani Prakash Rajmane	F	Rajmane	08
35.	Ritu Vinay Gutte.	F	Gutte.	10
36	Asmita Sadashiv Ghadage	F	Ghadage	08
37.	Gayatri Mukund Pol.	F	Gayatri	00
36	Samiksha Shirish Lambe	F	SSL	00
37.	Laxmikant Sanjay Pandey	M	Laxmikant	06
38.	Vivek Amarendra Sah	M	Vivek	00
39.	Samruddhi Jayasing Yesane	F	SJYesane	02
40.	Samiksha Subhas Chougule.	F	Chougule.	02
41.	Mahasi Satish Ghodake.	F.	Manasi	02
42	Samiksha Bandu Adsul	F	Samiksha	00
43.	Samruddhi Vijay Patil	F	Patil	04
44.	Soumya Sangram Patankar	F	Patankar	04

Dabade

Dr. U. D. Dabade
Subject Teacher

Vivekanand College, Kolhapur (An Empowered Autonomous Institute)
B.Com Part – III- Semester – V (NEP-1.0) Group – A
Advanced Accountancy Paper – I
Surprise Test on Insurance Claim (Loss of Profit Policy)
Date – 25th September, 2025

Problem - M/s.Patil Traders are insured under loss of profit policy for Rs. 63,000. Their books of accounts are closed on 31st Dec. each year. The fire occurred in the premises of the business on 1.7.2018. The record saved disclosed the following information.

Sales during the year ended 30.6.2018	7,20,000
Sales during the year ended 31.12.2017	6,00,000
Sales from 1.7.2018 to 30.9.2018	30,000
Sales in the corresponding period from 1.07.2017 to 30.9.2017	1,80,000
Standing charges for the year ending 31.12.17	36,000
Net profit for the year ending 31.12.2017	24,000

Period of Indemnity 3 months.

In has been ascertained that the business has consistently an increase of 25% in sales in the months preceding the fire over corresponding period of the previous year.

Calculate the amount of claim.

1- Short Sales

Sales in the previous year for a period corresponding to the indemnity period 1.07.2017 to 30.9.2017 (Standard Sales)		1,80,000
Add – Increase in sales of previous year	45,000	
		2,25,000
Less: Actual sales during indemnity period 1.7.2018 to 30.9.2018		30,000
	Short sales	**1,95,000**

2. Gross Profit Rate:

$$\text{Gross Profit Rate} = \frac{\text{Net Profit of Previous year + Insured standing charges}}{\text{Sales during the previous accounting year}} \times 100$$

$$= \frac{24000 + 36,000}{6,00,000} \times 100$$

$$= \mathbf{10\ \%}$$

$$\text{Indemnity Ratio} = \frac{\text{Policy value.}}{\text{Sales of 12 months immediately preceding the date of fire (Annual Sales)}} \times 100$$

$$= \frac{63{,}000}{7{,}20{,}000 + 180000} \times 100$$

$= 7\%$

4. Loss of profit / Amount of claim

Amount of claim = Short sales x lower of above two ratio

= 195000 x 7%

= **13650**

OR

After considering Average Clouse

When Amount of policy is less than GP on annual sales

GP on annual sales = 10% x 9,00,000

= 90,000

Loss of profit = Short sales x GP Ratio

= 195000 x 10%

= 19,500

$$\text{Amount of claim} = \frac{\text{Amount of policy}}{\text{G/P on annual sales}} \times \text{loss of profit}$$

$$\text{Amount of claim} = \frac{63000}{90{,}000} \times 19500$$

= **13,650**

Surprise Test

Advanced Accounting - I

Loss of Profit

Name - Megha Sadashiv vhanoli
B.com TY   Group - 'A'   Div - B
English Medium   Date - 25-9-2025

Problem -

Mr. patil traders are insured under loss of profit policy for ₹ 63000. There books of accounts are closed on 31st - 12 - each year. The fire occured in the premises of the business on 1-7-2018. The record saved disclose the following information.

	Rs.
sales during the year ended 30-6-2018	720000
sales during the year ending 30-12-2017	600000
sales from 1-7-2018 to 30-9-2018	30000
sales from 1-7-2017 to 30-9-2017	180000
Standing charges for the year ending 31-12-2017	36000
Net profit for the year ending 31-12-2017	24000
period of indemnity	3 months

It has been ascertained that the business has consistently. an increase of 25% in sales in the months preceding the fire over corresponding period of the previous year.
calculate the Amt of claim.

→

Date of Fire = 1-7-2018
(Indemnity period = 3 months
(1-7-2018 to 30-9-2018)
Standard Sales = 180000
Actual Sales = 30000
previous year sales = 600000
Annual sales = 720000

Step-1 Short sales.

Sales for the previous year corresponding to indemnity period	180000
Add. Increased 25% (25% on 180000)	45000
	225000
less. sales of indemnity period	30000
short sales =	195000

Step-2 Gross profit Rate

$$G/p \text{ rate} = \frac{\text{Net profit} + \text{Insured standing charges}}{\text{Sales for the previous year}} \times$$

$$= \frac{24000 + 36000}{600000} \times 100$$

$$= \boxed{10\%}$$

Step-3 Indemnity ratio

$$\text{Indemnity ratio} = \frac{\text{Amt of policy}}{\text{Sales for the 12 months immediately preceding to the date of fire}} \times 100$$

$$= \frac{63000}{720000 \times 25\%} \times 100$$

$$= \frac{63000}{900000} \times 100$$

$$= \boxed{7\%}$$

Step - 4 Loss of profit / Amt of claim.

G/p on ~~Short~~ sales = ~~20%~~ 10% of 195000
Annual
$= \boxed{19500}$ 900 000 × 10%
$= \boxed{90000}$

Loss of profit = Short sales × G/p rate
$= 195000 \times 10\%$
$= \boxed{19500}$

Step - 5

$$\text{Net claim} = \frac{\text{Amt of Policy}}{\text{G/p on Annual Sales}} \times \text{Loss of profit}$$

$$= \frac{63000}{90000} \times 19500$$

$$= \boxed{13650} \text{ Ans.}$$

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Surprise Test

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Dopadekarna

Advanced Accountancy paper I

Insurance claim - Loss of Profit Policy

Name : Madhura Sagar Sawant

Roll No : 6762

Std : B.Com TY

Date : 25-9-25

1. Mr. Patil Traders are insured under Loss of Profit Policy for ₹ 63000. There books of account are closed on 31^{st} Dec. each year. The fire occured in the premises of the business on 1-7-2018. The records saved disclosed the following information.

Sales during the year ended 30-6-2018	₹ 7,20,000
Sales during the year ending 31-12-2017	₹ 6,00,000
Sales from 1-7-2018 to 30-9-2018	₹ 30,000
Sales from 1-7-2017 to 30-9-2017	₹ 1,80,000
Standing charges for the year ending 31-12-2017	₹ 36,000
Net Profit for the year ending 31-12-2017	₹ 24000

Period of Indemnity 3 months.

It has been ascertained that the business has consistantly an increase of 25 % in sales in the months preceeding the fire over corresponding period of the previous year. Calculate the amount of claim.

→

Date of fire - 1-7-2018

Indemnity period - 3 months ∴ 1-7-2018 to 30-9-2018

Standard sales = 1-7-2017 to 30-9-2017 = 180000

Actual Sales = 1-7-2018 to 30-9-2018 = 30000

previous Accounting year sales 31-12-2017 = 600000

Annual / Adjusted Sales 30-6-2018 = 720000

Step I | Short sales

Sales for previous year corresponding to indemnity period (1-7-2017 to 30-9-2017)	180000
~~Less: sales for indemnity period~~	~~300~~
(+) Increased sales 25 %	45000
	225000
(-) Sales for indemnity period	30000
Short sales	195000

Step II Gross profit Rate

$$= \frac{\text{Net Profit} + \text{Insured standing charges}}{\text{Sales for previous Accounting Year}} \times 100$$

$$= \frac{24000 + 36000}{600000} \times 100$$

$$= \boxed{10\ \%}$$

Step III Indemnity Ratio

$$= \frac{\text{Amt of Policy}}{\text{Sales for 12 months immediately preceeding the date of fire}} \times 100$$

$$= \frac{63000}{720000 + 25\ \%} \times 100$$

$$= \frac{63000}{720000 + 180000} \times 100$$

$$= \boxed{7\ \%}$$

Step IV Loss of Profit / Amt of claim

G/P on annual sale

$= 10\ \% \times 900000$

$= \boxed{90000}$

∴ Amount of policy is less than G/P on annual Sales So Average clause will be applicable

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Loss of Profit = Short Sales x G/P Rate

= 195000 x 10 %

$\boxed{= 19500}$

Step V Amt of claim

$= \frac{\text{Amt of Policy}}{\text{G/P on annual Sales}} \times \text{Loss of Profit}$

$= \frac{63000}{90000} \times 19500$

$\boxed{= 13650}$

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Surprise Test

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Name : Krutika Satish Patil.
Roll No.: 6730
Subject : Advance Accounting Paper I
Insurance Claim – loss of Profit Policy
Std. : B.com TY

Problem
Mr. Patil Traders insured under loss of Profit Policy for ₹ 63000. Their books of account are closed on 31st Dec each year. A Fire occured in premises on 01.07.2018. The record saved disclosed the following information :

Sales during the year ended 30.6.2018	₹ 720000
Sales during the year ending 31.12.2017	₹ 600000
Sales from 01.07.2018 to 30.09.2018	₹ 30000
Sales from 01.07.2017 to 30.09.2017	₹ 180000
Standing charges for year ending 31.12.2017	₹ 36000
Net Profit for year ending 31.12.2017	₹ 24000
Period of Indemnity	3 months

It has been ascertained that business has consistently an increase of 25% in sales in the months preceeding the fire over corresponding period of the previous year. Calculate the amount of claim.

→ DOF : 01.07.2018
Indemnity period : 01.07.2018 to 30.09.2018
Standard sales : 01.07.2017 to 30.09.2017 = ₹ 180000
Actual sales : 01.07.2018 to 30.09.2018 = ₹ 30000
Previous year sales : ₹ 600000
Annual /Adjusted sales : ₹ 720000

Step I Short sales

Sales for previous year corresponding to the Indemnity Period	180000
Add: Increase 25%	45000
	225000
less: Sales for Indemnity period	30000
Short Sales	195000

Step II Gross Profit Rate = $\frac{\text{Net Profit + Insured standing charges}}{\text{Sales of previous accounting years}} \times 100$

$= \frac{24000 + 36000}{600000} \times 100$

$= 10\%$

Step III Indemnity Ratio = $\frac{\text{Amount of Policy}}{\text{Sales of 12 months immediately preceeding date of fire}} \times 100$

$= \frac{63000}{720000 + 180000} \times 100$

$= \frac{63000}{900000} \times 100$

$= 7\%$

Step IV Loss of Profit / Amount of claim

Gross Profit on Annual Sales = 10% × 900000
= 90000

∴ Gross Profit on Annual sales is more than Amount of Policy. So Average clause is applicable.

Loss of Profit = Short sales × Gross Profit Rate
= 195000 × 10%
= 19500

Amount of claim $= \frac{\text{Amount of Policy}}{\text{Gross Profit on Annual sales}} \times$ loss of Profit

$= \frac{63000}{90000} \times 19500$

$= 13650$

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