

“Education for Knowledge, Science and Culture”  
Shikshan Maharshi Dr. Bapuji Salunkhe  
Shri Swami Vivekanand Shikshan Sanstha's



VIVEKANAND COLLEGE, KOLHAPUR (Empowered Autonomous)

DEPARTMENT OF COMMERCE

(2023-24)

NOTICE

Date: 19<sup>th</sup> Oct, 2023

All the students of B.Com Part- III, A Division are hereby informed that Department of Commerce has conducted Open Book Test (Advanced Accountancy Paper- I) on “Insurance Claim - Loss of Profit Policy” on 28<sup>th</sup> October, 2023 at 10.20 am. Students should remain present in time in room number - 61.

Mr. U. D. Dabade

Subject Teacher

Mr. S. S. Kale

Head of the department  
DEPARTMENT OF COMMERCE  
VIVEKANAND COLLEGE, KOLHAPUR  
(EMPOWERED AUTONOMOUS)



Vivekanand College, Kolhapur (Empowered Autonomous)

B. Com. III, Sem- V

Division- A

Advanced Accountancy- I

Open Book Test (Insurance claim- Loss of Profit Policy)

Attendance (Date- 28<sup>th</sup> Oct 2023)

Sr. No.	Student Name	M/F	Sign	Marks
1	Madhura Yashavant Gaitwad	F	<u>Madhura</u>	10
2	Simaran Akram Kaligad	F	<u>Simaran</u>	08
3	Rasika babasa Kutwade	F	<u>R. B. Kutwade</u>	10
4	Uma Arjun Koli	F	<u>Uma</u>	10
5	Aparna Papat Wadekar	F	<u>Aparna</u>	10
6	Gauri Suresh Powars	F	<u>Gauri</u>	10
7	Mallika M. Pathan	F	<u>Mallika</u>	10
8	Smeha Satish Shelake	F	<u>Smeha</u>	08
9	Vidula Keishinat Padekar	F	<u>Vidula</u>	10
10	Pradnya Vishnu yadav.	F	<u>Pradnya</u>	10
11	Rasika Sunil Patil	F	<u>Rasika</u>	10
12	Rutuja Nandkishor Anuse	F	<u>R. N. Anuse</u>	10
13	Ruduja Ramchandora Sutar	F	<u>Ruduja</u>	10
14	Shradha Sharad Kashid	F	<u>Shradha</u>	10
15	Sanika Sagar mane	F	<u>Sanika</u>	10
16	Sanyogita Raghunath Patil	F	<u>S. R. Patil</u>	10
17	Arpita Pradip Shinde	F	<u>Arpita</u>	10
18	Geumi Vishwanath Shinde	F	<u>Geumi</u>	10
19	Sanika Sanjiv Rao Patil	F	<u>Sanika</u>	10

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28<sup>th</sup> Oct 2023



## Advance Accountancy Paper - I

PAGE NO.:

DATE: / /

Name - Vidula Keishnat Padakar

10  
est

Mr. Jay was insured loss of profit policy for Rs. 42,000. He closed his books of A/c on 31-Dec every year.

Date of fire 1 July 2002

Turnover from 1-7-2000 to 30-9-2000 Rs. 20,000

Turnover in the corresponding period of 1999 1,20,000

Turnover during the year ending 31-12-1999 4,00,000

Turnover during the year ending 31-June 2000 4,80,000

Standing charges during the year ending 31-12-99 24,000

Net Profit during the year ending 31-12-99 16,000

It has been ascertained that the business of Mr. Jay has consistently shown an increase of 25% in the turnover in the months preceding over the corresponding period of the previous year.

Calculate the amt of claim.

→ 1] Date of fire - 1-7-2002

2] Indemnity period - 3 Months - 20,000

3] Actual Sales - 20,000

4] Standard Sales - 1,20,000 Increase 25% = 1,20,000 + 30,000  
150,000

5] Sales during the previous A/c year - 4,00,000

6] Sales for 12 months

Step - 1 short Sales -

Sales for the previous year corresponding to the indemnity period (Standard Sales) - 1,50,000

(-) Sales for the indemnity period - 20,000

130,000



$$\text{II Gross Profit Rate} = \frac{\text{Net Profit Previous Year} + \text{Insured share}}{\text{Sales during the previous Accounting}}$$

$$= \frac{16,000 + 24,000}{4,00,000} \times 100$$

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

$$\text{III Indemnity Ratio} = \frac{\text{Amt of Policy}}{\text{Sales of 12 months immediately preceding the date of fire}}$$

$$= \frac{42,000}{4,80,000} \times 100$$

$$= \boxed{8.75\%}$$

$$\text{IV Amt of Policy} = \text{short Sales} \times \text{lower of above two rates}$$

$$= 1,30,000 \times 7\%$$

$$= \boxed{9,100}$$

Amt of claim with considering Average clause

$$\text{G/P on Annual Sales} = 10\% \text{ on } 6,10,000$$

$$\text{Loss of Profit} = \text{short Sales} \times \text{G/P rate}$$

$$= 1,30,000 \times 10\%$$

$$= 13,000$$

$$\text{claim} = \frac{\text{Amt of Policy}}{\text{G/P Annual Sales}} \times \text{loss of Profit}$$

$$= \frac{42,000}{60,000} \times 13,000$$

$$= \boxed{9,100}$$



Advance Accountancy Paper -  
Open Book Test -

(10)

- Pradnya Yadav.

Mr. Jay was insured a loss of profit policy of Rs 42,000. He closed his books of Accounts on 31<sup>st</sup> Dec every year.

Date of fire → 1 July, 2000.

Turnover from 1/7/2000 to 30/9/2000	20,000
Turnover in corresponding period of 1999.	1,20,000.
Turnover during the year ending 31/12/1999	4,00,000.
Turnover during the year ending 31/6/2000	4,80,000
Standing charges during year 31/12/1999	24,000
Net profit during the year 31/12/1999	16,000

It has been ascertained that the business of Mr. Jay as consistently shown an increase of 25% in the turnover in the months preceding the fire over the corresponding period of the previous year. Calculate amount of the claim.

Date of fire - 1 July, 2000.

Indemnity period. - 001

① Step - 01. Short Sales.

Sales for previous year corresponding to the indemnity period. 1,20,000

~~less - sales for the indemnity period.~~ ~~20,000~~

Add (+) 25% increase. 30,000

1,50,000

~~less - sales for indemnity period.~~ 20,000

1,30,000

② Step - 02. G/P Rate.

Net Profit / Insured standing charges.

Sales for previous Ac year X 100.



$$= \frac{16,000 + 24,000}{4,00,000} \times 100$$

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

③ step - 03, Indemnity Ratio.  
Amount of Policy

$$= \frac{\text{sales for 12 months immediately preceding to date of fire}}{\text{Amount of Policy}} \times 100$$

$$\left( \begin{matrix} 25\% \\ \text{more} \end{matrix} \right) \frac{42,000}{6,00,000} \times 100 = \boxed{\frac{7}{100}}$$

④ calculate claim -  
Short sales x lower of above two ratio.

$$= 1,30,000 \times \frac{7}{100}$$

$$= \boxed{9100}$$

⑤ step ⑤

① G/P on annual sales = 10% of 6,00,000  
= 60,000

② Amt of loss of profit  
Short sales x G/P ratio.

$$1,30,000 \times \frac{10}{100} = \boxed{13,000}$$

~~③~~

(8) claim -

$$\frac{\text{Amt of policy}}{\text{G/p on annual sales}} \times \text{loss of profit}$$

$$= \frac{42,000}{60,000} \times 13,000$$

$$= \boxed{9100}$$



Mr. Jay was insured under a loss of profit Policy ₹ 42,000. He closed his books of A/c on 31<sup>st</sup> Dec. every year.

Date of fire 1<sup>st</sup> July 2000

Turnover from 1.07.2000 to 30.09.2000 ₹. 20,000

Turnover in the corresponding period of 1999 ₹. 1,20,000

Turnover during the year ending 31.12.1999 ₹. 4,00,000

Turnover during " " 31.12.2000 ₹. 4,80,000

standing charges 31.12.1999 ₹. 24,000

Net Profit during the year ending 31.12.1999 ₹. 16,000

It has in ascertain that business of Mr. Jay consistently shown a increase of 25% in the turnover in the months preceding the fire over the corresponding period of the previous year.

Calculate the Amt. of claim.

→ Step 1

Short Sales

Sales for the previous year corresponding to indemnity period 1,20,000

less: sales for the indemnity period 20,000

1,00,000

Add: 25% increased (~~1,20,000~~ × 25%)

30,000

1,30,000

Step 2

Gross Profit Rate =  $\frac{\text{Net Profit} + \text{Insured standing charges}}{\text{sales for the previous A/c year}} \times 100$

$$= \frac{16,000 + 24,000}{4,00,000} \times 100$$

$$= 10\%$$

Step 3

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

$$= \frac{42,000}{4,80,000 + 25\%} \times 100$$

$$= \frac{42,000}{6,00,000} \times 100$$

$$= 7\%$$

Step 4

claim = short sales X lower of above two ratios

$$= 1,30,000 \times 7\%$$

$$= 9,100$$



Open Book Test  
 Loss of profit

Name - Rutuja Nandkishor Abuse  
 Std - B.com III, Sem - V  
 Div - 'A'  
 Date - 28/10/2023  
 Subject - Advanced Accountancy Paper - I  
 Medium - marathi medium  
 Roll No - 6845

M/S Jay was insured under a Loss of profit policy for Rs 42000. He closed his books of accounts on 31 December every year.

Date of fire	1 <sup>st</sup> July 2000	
Turn over from	1-7-2000 to <sup>Actual</sup> 30-9-2000	RS 20,000
Turn over in the corresponding period of 1999)	Standard sales.	RS 120,000
Turn over during the year ending	31-12-1999) Previous	RS 400,000
Turn over during the year ending	31-Jun-2000 Annual	RS 480,000
Standing Charges during the year ending	31-12-1999	RS 24,000
Net profit during the year ending	31-12-1999	RS 16,000

It has been ascertained that the business of M/S Jay has consistently show an increase of 25% in the turn over in the months preceding the fire over the corresponding period of the previous year.  
 Calculate the amount of claim.





$$= \frac{42000}{480000 + 25\%} \times 100$$

$$= \frac{42000}{600000} \times 100$$
$$= 7\%$$

Indemnity Ratio = 7%

Step (iv)

$$\text{Amount of Claim} = \text{Short Sales} \times \text{Lower of above two Ratio}$$
$$= 130000 \times 7\%$$

Amount of Claim = 9100

\* Amount of Claim with Considering average Clause -

(1) Gross profit on annual sales = 10% on 600000

$$= \frac{600000 \times 10}{100}$$

Gross profit on annual sales = 60,000

(2) Loss of profit = Short Sales x Gross profit Ratio

$$= 130000 \times 10\%$$

Loss of profit = 13000

Step (v)

$$\text{Amount of claim} = \frac{\text{Amount of policy}}{\text{Gross Profit on annual sales}} \times \text{Loss of profit}$$

$$= \frac{42000}{60.000} \times 13000$$

~~Amount of claim = 9100~~