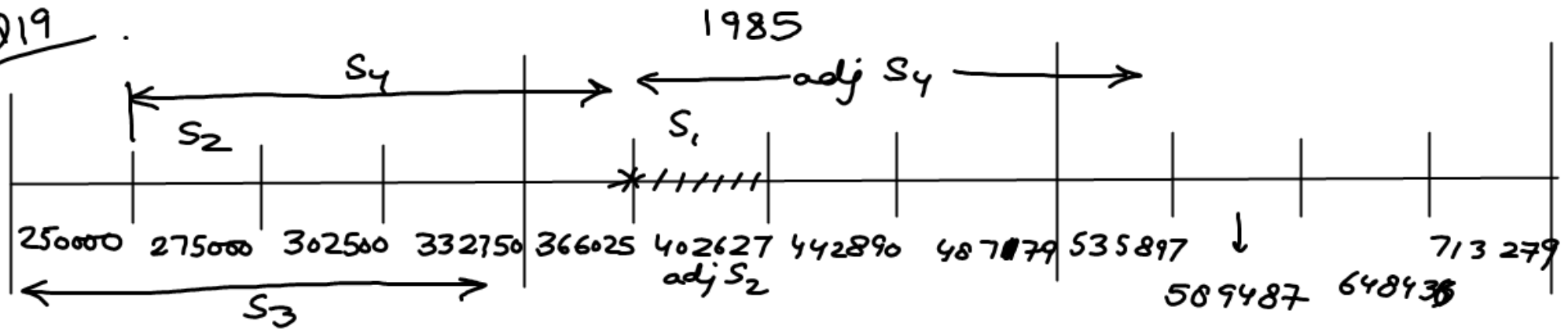


Trend is always Annual

But sometimes trend may be quarterly

Q19



$$S_1 = 60000$$

$$S_2 = 275000$$

$$adj S_2 = 402627$$

$$S_3 = 1160250$$

$$S_4 = 1276275$$

$$adj S_4 = 1868593$$

$$\text{IGPR} = \frac{82050 + 150000}{1160250} \times 100 = 20\%$$

$$\text{IGPR on adj } S_4 = 20\% \cdot 1868593 = 373719$$

$$\begin{aligned} \text{Short sales} &= \text{adj } S_2 - S_1 \\ &= 402627 - 60000 = 342627 \end{aligned}$$

$$\text{LOP} = 20\% \cdot 342627 = 68525$$

add: allowance

$$i) \text{Exp} = 6000.$$

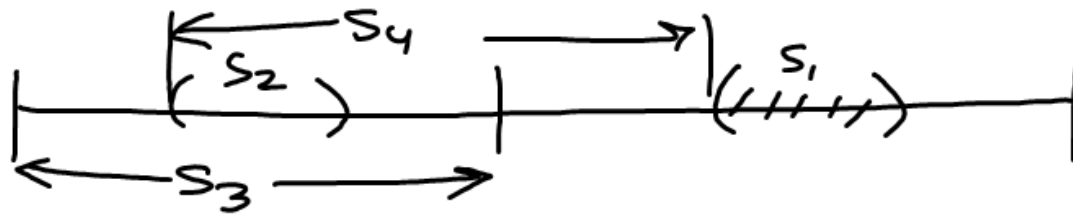
$$ii) (60000 - 45000) \times 20\% = \textcircled{3000}$$

$$iii) \frac{373719}{373719 + 6} \times 6000 = 6000$$

less: Saving of FC = 4500.

$$\text{Claim} = 68525 + 3000 - 4500 = 67025.$$

$$\text{Net claim} = \frac{204204}{373719} \times 67025 = 36623/-.$$



$$IAP = \frac{90000 + 170000}{3250000} \times 100 = 8\% + 2\% = 10\%$$

There is a trend of 10% ↑se in sales

$$S_1 = 50 + 50 + 60 + 80 = 240000$$

$$S_2 = 360 + 400 + 340 + 300 = 1400000 \quad \text{Adj } S_2 = 1540000$$

$$S_3 = 3250000$$

$$S_4 = \left[ \begin{array}{l} 330 + 275 + 275 + 220 + 220 + 150 \\ + 250 + 250 + 300 + 340 + 400 + 360 \end{array} \right] = 3370000 \quad \text{Adj } S_4 = 3707000$$

$$\text{Adj } IAP \text{ on adj } S_4 = 10\% \cdot 3707000 = 370700$$

$$\begin{aligned} \text{Short Sales} &= \text{Adj } S_2 - S_1 \\ &= 1540000 - 240000 = 1300000 \end{aligned}$$

$$\text{LOP} = 10\% \cdot 1300000 = 130000$$

add: allowances

$$\text{i) Exp} = 16028$$

$$\text{ii) } \frac{370700}{370700 + 30000} \times 16028 = \underline{\underline{14828}}$$

$$\text{iii) } 240000 \times 10\% = 24000$$

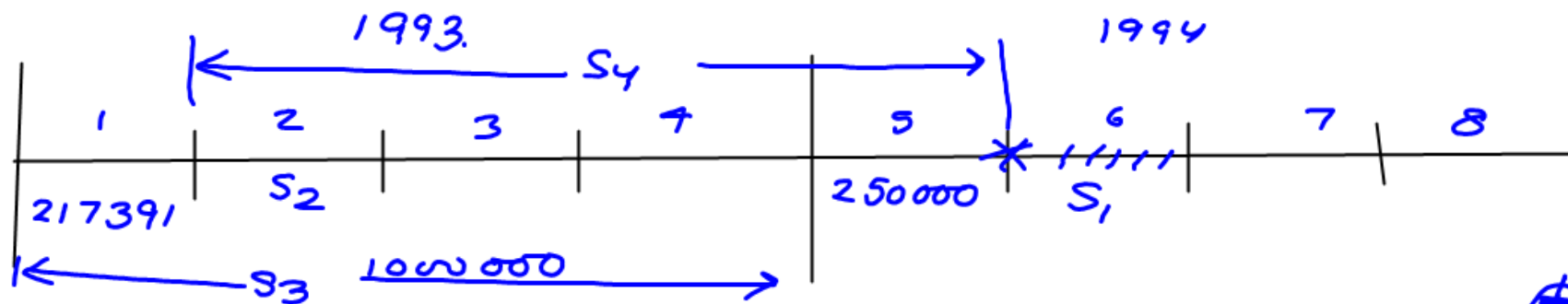
$$\text{less: Saving in FC} = 3000$$

$$\begin{aligned}\text{Claim} &= 130000 + 14828 - 3000 \\ &= 141828\end{aligned}$$

$$\text{Net claim} = \frac{300000}{370700} \times 141828 = 114779$$

+ fixed extinguishing charge: 2000

$$\text{claims} = \underline{116779}$$



$$QF(s) = 250000$$

$$S_1 = 87500$$

$$S_3 = 1000000$$

$$S(1) = x \quad \therefore x + 15\%x = 250000.$$

$$115\%x = 250000 \quad x = 217391$$

$$S_4 = 1000000 - 217391 + 250000 = 1032609$$

$$\text{Adj } S_4 = 1032609 + 15\% = 1187500$$

$$S_2 = \frac{100000 - 217391}{3} = 260870$$

$$\text{Adj } S_2 = 260870 + 15\% = 300000$$

$$\text{IGPR} = \frac{50000 + 50000}{100000} = 10\%$$

$$\text{adj IGPR} = 10\% - 5\% = 5\%$$

$$\text{adj IGPR on adj } S_2 = 5\% \cdot 1187500 = 593750$$

$$\begin{aligned} \text{Short Sales} &= \text{adj } S_2 - S_1 = 300000 - 87500 \\ &= 212500. \end{aligned}$$

$$\text{LOP} = 5\% \cdot 212500 = 10625$$



add :

i) Expenses = 60000

ii)  $\frac{59375}{59375 + 15000} \times 60000 = 17015$   
 (20000 - 5000)

iii)  $87500 \times 5\% = 4375$

Claim =  $10625 + 4375 = 15000/-$ .

Since Policy of 10000 > 10000 on adj 54 59375  
 So No average clause.

May 2015

Ms. Platinum Jewellers wants to take up a LOP policy for the yr ended 31.3.2015. The Extract of P&L for the yr ended 31.3.2014 is given below

VC	→ cost of Material	18,60,000
FC	→ wages of skilled worker	160000
	Salaries	280000
	Audit fee	40000
	Rent	64000
	Bank charges	18000
	Interest Income	44000
	Net Profit	672000

Turnover is expected to grow 25% next yr.

To meet growing WC needs, partners have decided to avail a bank O/D @ 12% pa Interest. Avg daily O/D bal should be 200000.

Wages of Skilled workers will increase by 20%  
to Salaries by 10%. All other Exp. remains same.  
Determine the amount of policy.

# To & P&L for the yr 31.3.2014

✓ Gmat	1860000.	Sale	3050000
Wages	160000	Int Income	44000
Salaries	280000		
FC Audit fees	40000.		
Rent	64000		
Bk charges	18000		
NP	672000		

$$\text{future Sale} = 305000 + 25\% = 3812500$$

$$\text{future VC} = 186000 + 25\% = 2325000$$

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$$\text{future GP to be Insured} = 1487500$$

+ Insure the ↑se in FC

$$\text{wages } 20\% \text{ } 160000 = 32000$$

$$\text{salaries } 10\% \text{ } 280000 = 28000$$

$$\text{Interest } 12\% \text{ } 200000 = 24000$$

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$$\text{Ideal Policy to be taken} = \underline{1571500}$$

few