

## Quadrant IV- In Module Assessment

Paper Code : COD119

Module Name: Calculating leverage: An practical approach

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Q1. Given below is the income statement of Deluxe Ltd. You are required to calculate and interpret a degree of operating leverage, degree financial leverage and degree of combined leverage.

	<b>Rs</b>
Sales	<u>Rs 10,50,00,00</u>
Variable cost	Rs 7,67,000
Fixed Cost	<u>Rs 75,000</u>
EBIT	Rs 2,08,000
Interest	Rs 1,10,000
Corporate Tax @ 30%	Rs 29, 400
Net Income	<u>Rs 68,600</u>