



Global Chartered Accountants - GCA  
Chartered Accountants Educational Consultants

**DECISION MAKING CHALLENGER**

**FOR**

**MODULE : D & F**

**BY**

**GCA**

Question 3

Composit	Ratio	SP	Comp Sales	CM ratio	CM per unit	CM per composite	VC per unit
Burger	6	150	900	40%	60	360	90
Fries	7	50	350	45%	23	158	28
Cold Drink	8	40	320	50%	20	160	20
Ice Cream	3	80	240	60%	48	144	32

CM per Rs  
 Total sales  
 Number of composites  
 Total CM

1,810  
 181,000,000 / 100,000 = 1,810  
 82,150,000

Option 1

Deal 1	VC	sales composition	226,250,000	CM	CM (Rs)
Burger	90.00	sales new	158,375,000		32,806,250
Fries	27.50	From deals	67,875,000		25,000,625
Cold Drink	20.00	From regular sales			
Total VC	137.50				
SP	210.00	sales from Deal 1		34.524%	32,806,250
CM	72.50	sales from Deal 2		39.464%	25,000,625

Deal 2	VC	Rest sale CM	Total CM
Burger	90.00		30,806,250
Fries	27.50		88,613,125
Cold Drink	20.00		
Ice Cream	32.00		
Total VC	169.50		
SP	280.00		
CM	110.50		

Module D  
 Decision Making  
 Remaining question

Option 2

New prices	New SP	VC	CM	CM %	Ratio	CM of comp	Price per com
Burger	120	90	30	25.0%	6	180	720
Fries	40	28	13	31.3%	7	88	280
Cold Drink	32	20	12	37.5%	8	96	256
Ice Cream	64	32	32	50.0%	3	96	192

181M x 1.35

Total Sales 244,350,000  
 Delivery based sales (30,000,000)  
 Normal sales 214,350,000

CM from normal sales 68,020,597

CM from home deliveries

sales ratio	SP	Comp SP	CM per comp
Burger	120	720	180
Fries	40	280	88
Cold Drink	32	256	96

364  
 28.94% 364/1256

CM from that sales 8,682,325  
 Less delivery expenses (1,000,000)  
 Fixed cost (850,000)  
 Net CM 6,832,325

Total CM from option 2 74,852,922

Support 600

459.50  
 1,448  
 31.73%

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181M x 1.35

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 Delivery based sales  $(30,000,000)$   
 Normal sales  $214,350,000$

CM from normal sales  $68,020,597$

CM from home deliveries

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Burger	120	720	180
Fries	40	280	88
Cold Drink	32	256	96

364  
 28.94%  $364 / 1256$

CM from that sales  $8,682,325$   
 Less delivery expenses  $(1,000,000)$   
 Fixed cost  $(850,000)$   
 Net CM  $6,832,325$

Total CM from option 2  $74,852,922$

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→ Support 600

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120 x 6  
40 x 7