

2) Profit or Loss Statement.

Explain the Line Items in Income Statement.

Revenue

Revenue is the money generated from normal business operations, calculated as the average sales price times the number of units sold.

Other Income

Other Income is income that does not come from a company's main business, such as interest.

Expenses

Expenses is the operational cost that is paid to earn business revenues. The expenses mean cost

Cost of Materials Consumed

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means Cost of Raw Materials used to produce a finished product.

Purchase of Stock-in-Trade

Purchase of stock-in the trade refer to all the purchases of finished goods that the Company buys towards conducting its business.

Changes in Inventories of Finished Goods, Stock-in-Trade and work-in-Progress.

Changes in Inventories of Finished Goods and work-in-Progress refer to the Difference between the sums of opening and closing Inventories.

Excise Duty

An Excise or Excise Tax [Sometimes Called an Excise Duty] is a type of tax charged on goods produced within the country.

Employee Benefit Expenses

Employee Benefit Expenses means Expenses Incurred on Employees. It includes Expenses such as salaries and wages, Contribution to Provident Fund, Staff welfare etc.

Financial Costs:

Financial Cost [FC]; also known as the Cost of Finance (CoF), is the cost, interest and other charges involved in the borrowing of money to build or purchase assets.

Depreciation and Amortization Expenses.

Amortization and Depreciation are two methods of calculating the value for business assets over time.

Other Expenses

Other Expenses are Expenses that do not relate to a Company's main business.

Profit Before Exceptional Items, Share of Net Profit of Equity Accounted Investees Tax.

Profit Before tax is a measure that looks at a Company's profits before the company has to pay Corporate income tax.

Net of Income Tax

Net of Income Tax is the amount obtained after the applicable tax is deducted from the gross income that resulted from investments or transactions.

Exceptional Items (Net)

Exceptional items are unusual business costs that are reported & separately from ordinary expenses or receipts.

Tax Expense

Tax Expense are the total amount of taxes owed by an individual, corporation or other entity to a taxing authority.

Current Tax

Current Tax is the amount of income taxes payable / recoverable in respect of the current profit / Loss for a period.

Deferred Tax

Deferred tax liability is the amount of taxes a company has "underpaid" which will be made up in the future.

Profit For the Year.

The Profit or Loss for the year measure net resources (after consideration of capital depreciation) staying in the company at the conclusion of the exercise.

