Assigment - 2

Revenue from operation:

Revenue from operation is the amount of money a compPany earns from selling its products or services

Other Income:

The next category refers to the other income or the miscellanuous income of the business, which includes the income generated from the company's various investment such as interest or dividend income.

Expenses:

Cost deducbed from revenue such as the cost of goods sold (COGS), wages, rent, marketing, administreation cost, utilities, interest expenses & depreciations.

Cost of raw & packing materials consumed :-

Case of material consumed is the first entry or line item in the "Expenses" pass of the statement of Profit & loss.

Purchase of stock in trade :-

Purchase of stock in trade refer is all the purchases of finished goods that company leaveys toward conducting in business.

Changes in inventories of finished goods work in progress & stock - in - trade.

Change in inventories of finished goods refers to the costs of manufacturing incurred by the company in the past, but the goods manufactured in the past were sold in the present /current financial year.

Financial cost

Financial cost (FC) also known as the cost of finance (COF) is the cost interest & other charges involved in the borrowing of money to build or purchase assets.

Depreciation & amortization expenses :-

The term depreciation means to diminish in value over time while the term amortize means gradually wite off a cost over a period.

A impairment cost must be included under expenses when the book value of an assets exceeds the recoverable amount.

Other expenses:-

Administrative expences like depreciation cost, employee costs, marketing & distributing cost, selling cost, research & development cost.

Profit before tax from operations:-

Profit Before tax (PBT) is a financial metric that measures a company's profitability before deducting taxes.

Tax expenses:-

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

Current tax:-

Current tax is the amount of income taxes payable (recovarable) in respect of the taxable profit (tax loss) for a period.

Defreed tax:-

defreed tax (DT) means DTA can be realised only when the company reliable estimate sufficiont future taxable income

Prior year tax adjustment

They are indorded to correct accounting errors, financial problems, & forgotten data from previous periods, Because the incuracies have already had on impact on the balance Sheet & income Statement. The correction must be done to the cash flows or equity value on the declaration of maintined profits. This adjustment will modify the retained profits holding balance & fix it as if the reporting had been done correctly in previous preiods.

Income tax expenses!.

A tax expenses are the total amount of taxes owed by an individual, corporation or other entity to a taxing authority. Income tax expenses is calculated by multiplying taxable income by the effective tax rate.

profit for the year !-

The Profit & loss for the year measure net resource (after consideration of capital depreciation) staying in the company at the conclusion of the exercise.