

Performa of Profit & Loss

| Dr | | Cr | |
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| <u>Expenses/Losses</u> | <u>Amt</u> | <u>Revenue/Gain</u> | <u>Amt</u> |
| To Gross Loss – transferred from trading a/c | | By Gross Profit transferred from trading a/c | |
| To Salaries | | By interest received | or |
| To Office rent | | Interest (credit) | or |
| To establishment expenses | | Interest on investment | or |
| To Stationery | | Interest on fixed deposit | or |
| To Welfare expenses | | Interest on loans and advanced | |
| To Electricity expenses | | Or | |
| To Telegram | | By rent received | |
| To fax charges | | or | |
| To services Charges | | Rent (credit) or | |
| To renewal or maintenance charges | | Rent from tenant | |
| To Conveyance | | By Discount received | |
| To Freight outward | | By Commission Received | |
| To Entertainment expenses | | By Dividends received | |
| To interest paid | | By Profit from sale of assets | |
| To Interest on overdraft or interest on borrowed | | By Refund of tax | |
| To Discount allowed or discount on debtors | | By Compensation received | |
| To Bad debts or Bad debts Written Off doubtful debts | | By Difference in exchange (credit) | |
| To provision for bad debit | | By interest on drawings | |
| To depreciation | | By Discount on creditors | |
| To interest on capital | | By Bad debt recovered | |
| To Discounting charges | | By Miscellaneous receipts | |
| To Bank charges or collection Charges | | By Appreciation or increase in the value of assets | |
| To Export charges | | By income from investment | |
| | | By reserve for bad and doubtful debts(old reserve – if not treated at the debit side of P/L a/c) | |

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| To Trade expenses | |
| To Administrative expenses | |
| To Financial expenses | |
| To Commission paid | |
| To Advertisement | |
| To Charity and Donation | |
| To sample expenses | |
| To Licence fee | |
| To Delivery charges | |
| To Brokerage | |
| To sales tax paid | |
| To Loss on sale of assets | |
| To Loss by fire/theft/accident | |
| To UpKeep or maintenance of assets | |
| To Commission | |
| To Net profit- Transferred to capital a/c | |
| (if credit side exceeds debit side) | |

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| By Net Loss- Transferred to Capital a/c | |
| (if debit side exceeds credit Side) | |