

Assets

Current Assets

Cash	PKR 250,000
Accounts Receivable	PKR 30,000
Inventory	PKR 20,000
Prepaid Expenses	PKR 10,000
Other Current Assets	PKR 15,000
Total Current Assets	PKR 325,000

Fixed Assets

Property, Plant, and Equipment	PKR 250,000
Net Fixed Assets	PKR 250,000

Other Assets

Goodwill	PKR 30,000
Intangible Assets	PKR 10,000

Total Other Assets **PKR 40,000**

Total Assets **PKR 565,000**

Liabilities and Equity

Current Liabilities

Accounts Payable
Short-term Loans
Accrued Expenses
Other Current Liabilities

Total Current Liabilities **PKR 0**

Long-term Liabilities

Deferred Revenue

Total Long-term Liabilities **PKR 100,000**

Total Liabilities **PKR 100,000**

Equity

Owner's Investment	PKR 250,000
Retained Earnings	

Total Liabilities and Equity **PKR 565,000**

A bank loan of *PKR 100,000* has been added under "**Long-term Loans**" in the liabilities section.

Total liabilities and equity now sum up to *PKR 565,000*, balancing with total assets.

We have *PKR 250,000* in cash, representing the initial investment of *PKR 50,000* per member for 5 members.

Income Statement**Revenue:**

Event Planning Services	PKR 150,000
Decoration Supplies	PKR 20,000
Rental Fees for Equipment	PKR 50,000
Other Event-related Income	PKR 10,000
Total Revenue	PKR 230,000

Expenses:

Employee Salaries	PKR 50,000
Rent	PKR 15,000
Utilities	PKR 5,000
Marketing/Advertising	PKR 8,000
Total Expenses	PKR 78,000

Gross Profit (Revenue - Expenses) PKR 152,000

Operating Expenses:

Employee Salaries	PKR 50,000
Rent	PKR 15,000
Utilities	PKR 5,000
Marketing/Advertising	PKR 8,000
Other Operating Expenses	PKR 10,000
Total Operating Expenses	PKR 88,000

Net Income (Gross Profit - Operating Expenses) PKR 64,000

Expenses are derived from the balance sheet and include salaries, rent, utilities, marketing/advertising, and other operating expenses.

Gross profit is calculated by subtracting total expenses from total revenue.

Net income is calculated by subtracting total operating expenses from gross profit.

Expenses represent the costs incurred by the company in order to generate revenue. These include various expenditures necessary to operate the business, such as employee salaries, rent, utilities, marketing/advertising expenses, and other miscellaneous costs.

Operating Expenses specifically refer to the day-to-day costs associated with running the business.

This category includes expenses like employee salaries, rent, utilities, marketing/advertising, and any other costs directly related to the ongoing operations of the company.

Operating expenses do not include one-time or non-recurring expenses, such as taxes or interest on loans.