

The Format for income statement in case of Trading concern is as follows:

Trading and P & L A/c for the year -----

Dr.

Cr.

<i>Particulars</i>	<i>Amount</i>	<i>Particulars</i>	<i>Amount</i>
To Opening stock	—	By Sales (less return)	—
To Purchases (less return)	—	**By Gross loss b/d	—
To Direct wages	—	(Balancing fig.)	
To Direct expenses	—		
• Carriage inward			
• Duty and clearing charges			
• Fuel and energy			
• Octroi duty etc.			
To Gross profit (GP) b/d	—		
(Balancing fig.)			
Total	=	Total	=

**To Gross loss c/d	—
To General and administrative expenses	—
• Salaries	
• Rent, rates and taxes	
• Stationary and printing	
• Telephone bill	
• General expenses	
• Trade expenses	
• Insurance premium	
• Loss by fire, theft, etc.	
• Discount allowed	
• Office lighting	
• Depreciation	

By Gross profit (GP) c/d	—
By Other income	—
• Rent received	
• Discount received (Cr.)	
• Sale of scrap material	
• Commission received	
• Interest received	
• Dividend received	
• Bad debt recovered	
**By Net Loss b/d	—