Easy to understand difference:

Permutation

- Permutation is the arrangement of items in which **order matters**
- Number of ways of selection and arrangement of items in which Order Matters

$$^{n}P_{r} = \frac{n!}{(n-r)!}$$

Combination

- Combination is the selection of items in which order does not matters.
- Number of ways of selection of items in which Order does not Matters

$${}^{n}C_{r} = \frac{n!}{r! (n-r)!}$$

For other important formulas see different case formulas and concepts.