Income Statement of Gupta Mobiles

Ramesh Gupta started a retail mobile store ‘Gupta Mobiles’ on the 1st of November 2022. Gupta Mobiles rented a shop in Marathahalli, Bengaluru for ₹ 1,00,000 per month and hired 4 sales persons whom they agreed to pay ₹ 10,000 each as their salary. Gupta Mobiles purchased phones of various brands worth ₹ 1,00,00,000. in November. Looking at the upcoming diwali festival, they hosted a lucky draw contest to attract customers. The Gift distributed in this lucky draw cost them ₹ 45,000, which will be recorded under advertisement expense. They provide chai and snacks to their staff and customers. The total bill for chai and snacks of November month was ₹17,000. The electricity bill for the month of November was ₹ 10,000. The total sales in November Month was ₹ 90,00,000.

| **Income statement of Gupta Mobiles**  For the month of November | |
| --- | --- |
|  | November |
| Particulars | Amount in ₹ |
| Revenue | 9000000 |
| Total Income | 9000000 |
| Expense |  |
| COGS | 10000000 |
| Rent | 100000 |
| Salary | 40000 |
| Advertisement | 45000 |
| Other Expense | 17000 |
| Electricity Bill | 10000 |
| Total Expenses | 10212000 |
| **Profit/(loss)** | **-1212000** |

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# Gupta Mobiles Business Story

## December

* Gupta Mobiles purchased phones worth ₹ 1,20,00,000. There were no changes in the rent for the month of December.
* Salary remains the same as last month.
* The store electricity bill was ₹ 11,000 for the month of December and other expenses which included snacks and tea expenses were ₹ 25,000 for the month.
* Sales in the month of December was ₹ 1,25,00,000. All the purchased Mobiles were sold in the month of December.

## January

In the month of January, Owner of Gupta mobiles decided to organize an event in the mall to promote his new shop to reach out to more people. The amount spent on the event was ₹ 3,50,000. They also decided to hire a shop manager for handling the sales team and shop. They hired an experienced shop manager at ₹ 75,000 for the same. Other details of sales and expenses are provided below:

* Gupta mobiles purchased Mobiles worth ₹ 1,30,00,000.
* There were no changes in the rent for the month of January.
* Salary of 4 salespeople was the same.
* The store electricity bill was ₹ 12500 for the month of January and other expenses were ₹ 55,000 .
* Sales in the month of January was ₹ 1,44,00,000. All the purchased Mobiles were sold in the month of January.

## February

In the month of February, to take their business to the next level, management of Gupta Mobiles decided to start a service where they took orders on phone and delivered the mobiles to the customers. For that they hired one delivery boy, who will use his own vehicle for delivery but petrol expenses will be borne by the company . Other details of sales and expenses are provided below:

* Gupta Mobiles purchased Mobiles worth ₹ 1,40,00,000.
* There were no changes in the rent for the month of February.
* Salary of 4 sales people and the shop manager was the same as last month. Delivery Boy was paid ₹ 20,000 per month as salary.
* The store electricity bill was ₹ 14,000 for the month of February and other expenses were ₹ 85,000.
* Paid petrol bill for delivery ₹ 7,500
* Marketing expense of February was ₹ 1,75,000 which included newspaper advertisements.
* Sales in the month of February was ₹1,54,00,000. All the purchased Mobiles were sold in the month of February.