

# VIVEKANANDA COLLEGE THAKURPUKUR KOLKATA-700063

NAAC ACCREDITED 'A' GRADE



Topic:Common-Size Income Statement

Course Title:B.Com

Paper:Fin.Reporting & FSA

Unit:05

Semester:6th

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Name of the Department:Commerce

The summarised Profit and Loss Statements of Z Ltd. for the two consecutive years ended on 31st March, 2019 and 2020 are given below.

Particulars	31.03.2019	31.03.2020
I. Revenue from Operations (Sales)	13,17,500	17,25,500
II. Other Income	—	—
<b>III. Total Revenue (I+II)</b>	<b>13,17,500</b>	<b>17,25,500</b>
IV. Expenses		
(a) Cost of Goods Sold	7,50,550	8,28,750
(b) Finance costs (Interest on Long-term loans)	59,925	68,000
(c) Other Expenses (Operating Expenses)	1,97,200	2,24,400
<b>Total Expenses</b>	<b>10,07,675</b>	<b>11,21,150</b>
V. PBT (III-IV)	3,09,825	6,04,350
VI. Income Tax	1,31,750	2,05,700
<b>VII. PAT (V-VI)</b>	<b>1,78,075</b>	<b>3,98,650</b>

Prepare common-size Income Statement.

[W.B.S.U. B.Com (H) 2018]

Z Ltd.  
Common Size Income Statement  
for the year ended. 31-3-19 & 31-3-20

Particulars	31-3-19		31-3-20	
	Amount (₹)	%	Amount (₹)	%
I. Rev. from operation. Sales	13,17,500	100.00	17,25,500	100.00
II other Income	—	—	—	—
III Total Revenue (I+II)	13,17,500	100.00	17,25,500	100.00
IV Expenses: -				
(a) Cost of Goods Sold	7,50,550	56.9678	8,28,750	48.0295
(b) Finance cost - Int on Long term loan.	59,925	4.5483	68,000	3.9408
(c) other Exp - operating Exp.	1,97,200	14.9677	2,24,400	13.0050
Total Exp.	10,07,675	76.4838	11,21,150	64.9753
V Profit Before tax (III-IV)	3,09,825	23.5161	6,04,350	35.0246
VI Income Tax	1,31,750	10.00	2,05,700	11.9211
VII Profit After tax (V-VI)	1,78,075	13.5161	3,98,650	23.1035

From the following information make comparable Profit and Loss Accounts of A Ltd. and B Ltd. in terms of percentage only :

Particulars	A Ltd. ₹ in lac	B Ltd. ₹ in lac
Sales	15	80
Cost of Goods Sold	12	60
Administrative Expenses	07	5
Selling Expenses	08	7
Financial Charges	02	2

(C U B Com (H) 2008)

Comparable Profit & Loss of A Ltd & B Ltd.

2008

	A Ltd.		B Ltd.	
	Amount (₹)	%	Amount (₹)	%
I. Rev. from operation. - Sales.	15,00,00	100.00	80,00,00	100.00
II Other Income.	-	-	-	-
III Total Revenue (I+II)	15,00,00	100.00	80,00,00	100.00
IV Expenses:-				
a) Cost of Goods Sold	12,00,00	80.00	60,00,00	75.00
b) Finance Cost	20,00	1.3333	2,00,00	2.50
c) Other Exp.				
- Adm. Exp.	70,00	4.6666	5,00,00	6.25
- Selling Exp.	80,00	5.3333	7,00,00	8.75
Total Exp.	13,70,00	91.3333	74,00,00	92.50
v) Profit Before Tax (III-IV)	1,30,00	8.6667	6,00,00	7.50