

Proforma of common- size statement of Profit and Loss

Name of the company_____

Common-size statement of Profit and Loss for the year ended 31st March 20....

Particulars	Note No: _	Absolute figures at the end of 20....	Percentage to revenue from operations
(I) Revenue from Operations		Xxx	Xxx
(II) Other Income		xxx	xxx
(III) Total Revenue (I&II)		Xxx	xxx
(IV) Expenses:			
(a)Cost of materials consumed		Xxx	Xxx
(b)Purchase of stock-in-trade		xxx	Xxx
(c)Changes in inventories of Finished Goods work in progress and stock in trade		Xxx	Xxx
(d)Employees benefit expenses		Xxx	Xxx
(e)Finance Cost		Xxx	Xxx
(f)Depreciation & Amortization Expenses		Xxx	Xxx
(g)Other Expenses			
Total Expenses		Xxxx	Xxxx
(V) Profit & Loss before Tax (III-IV)		Xxx	Xxx
(VI) (-) Tax		(xxx)	(xxx)
(VII) Profit & Loss after Tax (V-VI)		Xxx	Xxx

Problem I: The following is the statement of Profit & Loss account of Bajaj Co. Ltd for the year ending 31st March 2015.

Particulars	Note No: _	Amount
(I) Sales		20,00,000
(II) Other Income		30,000
(III) Total revenue		<u>20,30,000</u>
(IV) Expenses:		
(a) Cost of Material Consumed		-
(b) Purchase of Stock-in-Trade		12,00,000
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade		(2,00,000)
(d) Employees benefit Expenses		2,50,000
(e) Finance Cost		85,000
(f) Depreciation		-
(g) Other Expenses		3,75,000
Total Expenses		<u>17,10,000</u>
(V) Profit & Loss Before Tax (III-IV)		3,20,000
(VI) Provision for Tax		(1,05,000)
(VII) Profit & Loss after Tax (V-VI)		<u>2,15,000</u>

Prepare Common-size Statement of Profit & Loss for the year ending 31st March 2015.

Note: Fractions if any should be rounded off to the second digit after decimal point.

Solution:

Baja Company Ltd's

Common-size Statement of Profit & Loss for the year ending 31st March 2015.

Particulars	Note No: _	Absolute figures at the end of 2015	Percentage to revenue from operations
(I) Revenue from Operation (Sales)		20,00,000	100.00
(II) Other Income		30,000	1.50
(III) Total Revenue		<u>20,30,000</u>	<u>101.50</u>
(IV) Expenses:			
(a) Cost of Material Consumed			-
(b) Purchase of Stock-in-Trade		12,00,000	60.00
(c) Changes in inventories of finished goods, work- in-progress and stock-in-trade		(2,00,000)	(10.00)
(d) Employees benefit Expenses		2,50,000	12.50
(e) Finance Cost		85,000	4.25
(f) Depreciation & Amortization exp		-	-
(g) Other Expenses		3,75,000	18.75
Total Expenses		<u>17,10,000</u>	<u>85.50</u>
(V) Profit before Tax (III-IV)		3,20,000	16.00
(VI) Provision for Tax		(1,05,000)	(5.25)
(VII) Profit after Tax (V-VI)		<u>2,15,000</u>	<u>10.75</u>

Problem II: The following is the Statement of the Profit & Loss of Bright India Ltd for the year ending 31st March 2015.

Particulars	Note No: _	Amount
(I)Sales		6,10,000
Sales Returns		(10,000)
(II)Other Income		-
(III)Total revenue		<u>6,00,000</u>
(IV) Expenses:		
(a)Material Consumed		3,00,000
(b)Purchases		-
(c)Inventories		(40,000)
(d)Employees benefit expenses		1,10,000
(e)Finance Cost		8,000
(f)Depreciation on Plant		13,000
(g)other Expenses		1,22,000
Total Expenses		<u>5,13,000</u>
(V)Profit & Loss before Tax (III-IV)		87,000
(VI)Provision for Tax		(30,000)
(VII)Profit Loss after Tax (V-VI)		<u>57,000</u>

Prepare Common-size of Profit & Loss for the year ending 31st March 2015.

Note: Fractions if any should be rounded off to the second digit after decimal point.

Solution:

Bright India Ltd's

Common-size Statement of Profit & Loss for the year ending 31st March 2015.

Particulars	Note No: _	Absolute Figures at the end of 2015	Percentage to revenue from operations
(I) Revenue from Operations (Sales-sales Returns)		6,00,000	100.00
(II) Other Income		-	-
(III) Total Revenue		₹ 6,00,000	100.00
(IV) Expenses:			
(a) Cost of Material Consumed		3,00,000	50.00
(b) Purchase of Stock-in-trade		-	-
(c) Changes in inventories - finished goods, work-in-progress and stock-in-trade		(40,000)	(6.67)
(d) Employees benefit Expenses		1,10,000	18.33
(e) Finance Cost		8,000	1.33
(f) Depreciation & Amortization Exp		13,000	2.17
(g) Other Expenses		1,22,000	20.33
Total Expenses		<u>5,13,000</u>	<u>85.50</u>
(V) Profit before tax (III-IV)		87,000	14.50
(VI) Provision for Tax		(30,000)	(5.00)
(VII) Profit after Tax (V-VI)		57,000	9.50

Problem III: The following is the statement of Profit & Loss of Petals India Ltd for the year ending 31st March 2015

Particulars	Note No: _	Amount
(I) Sales		10,10,000
Excise Duty		(10,000)
(II) Other Income		2,00,000
(III) Total Revenue		<u>12,00,000</u>
(IV) Expenses:		
(a) Cost of Raw-Material Consumed		-
(b) Purchases		8,00,000
(c) Inventories		(1,80,000)
(d) Employees benefit expenses		1,72,000
(e) Finance Cost		-
(f) Depreciation		18,000
(g) Other expenses		1,33,000
Total Expenses		<u>9,43,000</u>
(V) Profit & Loss before Tax		2,57,000
(VI) Provision for Tax		24,000
(VII) Profit & Loss after Tax		2,33,000

Solution:

Petals India Ltd's

Common-size Statement of Profit & Loss for the year ending 31st March 2015.

Particulars	Note No: _	Absolute Figures at the end of 2015	Percentage to revenue from operations
(I) Revenue from Operations (sales-Exercise Duty)		10,00,000	100.00
(II) Other Income		2,00,000	20.00
(III) Total Revenue		<u>12,00,000</u>	<u>120.00</u>
(IV) Expenses:			
(a) Cost of Raw-Material Consumed		-	-
(b) Purchase of Stock-in-Trade		8,00,000	80.00
(c) Changes in inventories of finished goods, Work-in-progress and stock-in-trade		(1,80,000)	(18.00)
(d) Employees benefit expenses		1,72,000	17.20
(e) Finance Cost		-	-
(f) Depreciation & Amortization Expenses		18,000	1.80
(g) Other Expenses		1,33,000	13.30
Total Expenses		<u>9,43,000</u>	<u>94.30</u>
(V) Profit before Tax (III-IV)		2,57,000	25.70
(VI) Provision for Tax		(24,000)	(2.40)
(VII) Profit after Tax (V-VI)		<u>2,33,000</u>	<u>23.30</u>

Problem IV: The following is statement of Profit & Loss of Honda Co. Ltd for the year ending 31st March 2015.

Particulars	Note No: _	Amount
(I)Sales-Cash Sales		3,00,000
Credit Sales		9,00,000
(II)Other Income		-
(III)Total revenue		<u>12,00,000</u>
(IV)Expenses:		
(a)Cost of Material Consumed		-
(b)Purchase of Stock		6,00,000
(c)Changes in inventories		-
(d)Employees Remuneration		2,00,000
(e)Interest on Debentures		20,000
(f)Preliminary Expenses		2,000
(g)Other Expenses		2,60,000
Total Expenses		<u>10,82,000</u>
(V)Profit /Loss before Tax		1,18,000
(VI)Provision for Tax		70,000
(VII)Profit/ Loss after Tax		<u>48,000</u>

Prepare Common-size Statement of profit & Loss for the year ending 31st March 2012.

Note: Fractions if any should be rounded off to the second digit after decimal point.

Solution:

Honda Co. Ltd's

Common-size Statement of Profit & Loss for the year ending 31st March 2015.

Particulars	Note No: _	Absolute Figures at the end of 2015	Percentage to revenue from operations
(I) Revenue from Operations (cash sales+Credit sales)		12,00,000	100.00
(II) Other Income		-	-
(III) Total Revenue		<u>12,00,000</u>	<u>100.00</u>
(IV) Expenses:			
(a) Cost of Raw-Material Consumed		-	-
(b) Purchase of Stock-in-trade		6,00,000	50.00
(c) Changes in inventories of finished goods, Work-in-progress and stock-in-trade		-	-
(d) Employees benefit Expenses (Employees remuneration)		2,00,000	16.67
(e) Finance Cost (Interest on Debentures)		20,000	1.67
(f) Depreciation & Amotization Expenses (Preliminary expenses written off)		2,000	0.17
(g) other expenses		2,60,000	21.67
Total Expenses		<u>10,82,000</u>	<u>90.16</u>
(V) Profit before Tax (III-IV)		1,18,000	9.83
(VI) Provision for Tax		(70,000)	(5.83%)
(VII) Profit after Tax (V-VI)		<u>48,000</u>	<u>4.00%</u>

Problem V: The following is the statement of Profit & Loss of G. S. I. D. C Ltd for the year ending 31st March 2015.

Particulars	Note No: _	Amount
(I) Sales		20,08,000
Returns Inward		(5,000)
Exercise Duty		(3,000)
(II) Other Income		-
(III) Total Revenue		<u>20,00,000</u>
(IV) Expenses:		
(a) Cost of Material Consumed		-
(b) Purchase of Stock-in-Trade		16,00,000
(c) Changes in Inventories Of stock		3,60,000
(d) Salaries & wages		3,44,000
(e) Interest on Loan		16,000
(f) Goodwill written off		10,000
(g) Sales Expenses		2,80,000
Total Expenses		<u>26,10,000</u>
(V) Profit/Loss before Tax		(6,10,000)
(VI) Provision for Taxiation		(50,000)
(VII) Profit/ Loss after Tax		<u>(6,60,000)</u>

Solution:

G. S. I. D. C Ltd's

Common-size Statement of Profit & Loss for the year ending 31st March 2015.

Particulars	Note No: _	Absolute Figures at the end of 2015	Percentage to revenue from operations
(I) Revenue from Operations (Sales>Returns Inward-Excise Duty)		20,00,000	100.00
(II) Other Income		-	-
(III) Total Revenue (I+II)		<u>20,00,000</u>	<u>100.00</u>
(IV) Expenses:			
(a) Cost of Raw-Material Consumed		-	-
(b) purchase of Stock-in-Trade		16,00,000	80.00
(c) Changes in inventories of finished goods, Work-in-progress and stock-in-trade		3,60,000	18.00
(d) Employees benefit Expenses (Salaries & wages)		3,44,000	17.20
(e) Finance Cost (Interest on Loan)		16,000	00.80
(f) Depreciation & Amortization Exp (Goodwill written off)		10,000	00.50
(g) Other Expenses (Sales Exp)		2,80,000	14.00
Total Expenses		<u>26,10,000</u>	<u>130.50</u>
(V) Loss before Tax (III-IV)		(6,10,000)	(30.50%)
(VI) Provision for Taxation		(50,000)	(02.50%)
(VII) Loss after Tax (V+VI)		<u>(6,60,000)</u>	<u>(33.00%)</u>

Problem VI: From the following statement of Profit & Loss of Tata Motors Ltd, for the year ended 31st March 2015, prepare Common-size Statement of Profit & Loss.

Particulars	Note No: _	Amount
(I)Revenue from Operation		3,95,000
(II)Other Income		48,500
(III)Total Revenue (I+II)		<u>4,43,500</u>
(IV)Expenses		
(a)Cost of Material consumed		3,30,000
(b)Purchase of stock in trade		-
(c)Changes in inventories of finished goods, work in progress & stock in trade		-
(d)Employee benefits expense		33,500
(e)Finance cost		12,500
(f)Depreciation & Amortization expense		10,000
(g)Other expenses		37,997
Total Expenses		<u>4,23,997</u>
(v)Profit before tax		19,503
(VI)Provision for Tax		18,473
(VII)Profit after Tax		<u>1,030</u>

Solution:

Tata Motors Ltd's

Common size statement of Profit & Loss for the year ended 31st March 2015.

Particulars	Note No: _	Absolute Figures at the end of 2015	Percentage to revenue from operations
(I)Revenue from operation		3,95,000	100.00
(II)Other Income		48,500	12.28
(iii)Total revenue (I+II)		<u>4,43,500</u>	<u>112.28</u>
(iv)Expenses			
a)Cost of Material consumed		3,30,000	83.54
b)Purchase of stock in trade			
c) changes in inventories of finished goods, work in progress & stock in trade.			
d)Employee benefits expenses		33,500	8.48
e)Finance cost		12,500	3.16
f)Depreciation & Amortization expense		10,000	2.53
g)Other expenses		37,997	9.62
Total expenses		<u>4,23,997</u>	<u>107.34</u>
(V)Profit before tax (III-IV)		19,503	4.94
(VI) Income tax paid		18,473	4.68
(VII)Profit after tax (V-VI)		1,030	0.26

Problem VII: From the following Statement of profit and Loss of Air India Ltd., prepare a Common Size Statement of profit and Loss:

Particulars	Note No.	31.3.14 (Rs)	31.3.15 (Rs)
I Revenue from Operations		26,00,000	30,00,000
II Other Income		1,40,000	1,50,000
III Total Revenue		<u>27,40,000</u>	<u>31,50,000</u>
IV Expenses			
Purchase of stock-in-trade		19,50,000	22,70,000
Change in Inventories of stock-in-trade		1,00,000	1,20,000
Employees Benefits Expenses		80,000	90,000
Depreciation		60,000	70,000
Other Expenses		45,000	50,000
Total Expenses		<u>22,35,000</u>	<u>26,00,000</u>
V Profit before Tax		5,05,000	5,50,000
Less: Tax		2,02,000	2,20,000
VI Profit after Tax		<u>3,03,000</u>	<u>3,30,000</u>

Solution:

Air India Ltd's

Common Size Statement of Profit and Loss
For the years March 31, 2014 and 2015

Particulars	Note No.	Absolute Amounts		Percentage of Revenue from Operations	
		2014 (Rs)	2015 (Rs)	2014(%)	2015(%)
I Revenue from Operations		26,00,000	30,00,000	100.00	100.00
II Other Income		1,40,000	1,50,000	5.38	5.00
III Total Revenue (I+II)		<u>27,40,000</u>	<u>31,50,000</u>	<u>105.38</u>	<u>105.00</u>
IV Expenses					
a) Purchase of Stock-in-Trade		19,50,000	22,70,000	75	75.67
b) Change in Inventories of Stock-in-Trade		1,00,000	1,20,000	3.08	3.00
c) Employees Benefit Expenses		80,000	90,000	3.85	4.00
d) Depreciation		60,000	70,000	2.31	2.33
e) Other Expenses		45,000	50,000	1.73	1.67
Total Expenses		<u>22,35,000</u>	<u>26,00,000</u>	<u>85.96</u>	<u>86.67</u>
V Profit before Tax (III-IV)		5,05,000	5,50,000	19.42	18.33
Less: Tax		2,02,000	2,20,000	7.77	7.33
VI Profit after Tax		<u>3,03,000</u>	<u>3,30,000</u>	<u>11.65</u>	<u>11.00</u>

