

Proforma of common- size statement of Profit and Loss

Name of the company\_\_\_\_\_

Common-size statement of Profit and Loss for the year ended 31<sup>st</sup> 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:		<u>xxxx</u>	<u>xxxx</u>
(a)Cost of materials consumed			
(b)Purchase of stock-in-trade		Xxx	Xxx
(c)Changes in inventories of Finished Goods work in progress and stock in trade		Xxx xxx	Xxx Xxx
(d)Employees benefit expense		Xxx	Xxx
(e)Finance Cost		Xxx	Xxx
(f)Depreciation & Amortization Expenses		Xxx	Xxx
(g)Other Expenses		Xxx	Xxx
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 Escorts Co. Ltd for the year ending 31<sup>st</sup> March 2009.

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 31<sup>st</sup> March 2009.

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

Solution:

Books of Escorts Ltd

Common-size Statement of Profit & Loss for the year ending 31<sup>st</sup> March 2009.

Particulars	Note No: _	Absolute figures at the end of 2009	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 Fortune Co. Ltd for the year ending 31<sup>st</sup> March 2010.

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 31<sup>st</sup> March 2010.

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

Solution:

Books of Fortune Co.Ltd

Common-size Statement of Profit & Loss for the year ending 31<sup>st</sup> March 2010.

Particulars	Note No: _	Absolute Figures at the end of 2010	Percentage to revenue from operations
(I)Revenue from Operations (Sales-sales Returns)		6,00,000	100%
(II)Other Income		-	-
(III)Total Revenue		<u>60,00,000</u>	<u>100%</u>
(IV)Expenses:			
(a)Cost of Material Consumed		3,00,000	50.00%
(b)Purchase of Stock-in-trade		-	-
(c)Changes in inventories of 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 Mars Ltd for the year ending 31<sup>st</sup> March 2011

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:

Books of Mars Ltd

Common-size Statement of Profit & Loss for the year ending 31<sup>st</sup> March 2011.

Particulars	Note No: _	Absolute Figures at the end of 2011	Percentage to revenue from operations
(I) Revenue from Operations (sales-Exercise Duty)		10,00,000	100%
(II) Other Income		2,00,000	20%
(III) Total Revenue		<u>12,00,000</u>	<u>120%</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 Rishabh Co. Ltd for the year ending 31<sup>st</sup> March 2012.

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 31<sup>st</sup> March 2012.

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



Solution:

Books of Rishabh Co. Ltd

Common-size Statement of Profit & Loss for the year ending 31<sup>st</sup> March 2012.

Particulars	Note No: _	Absolute Figures at the end of 2012	Percentage to revenue from operations
(I) Revenue from Operations (cash sales+Credit sales)		12,00,000	100%
(II) Other Income		-	-
(III) Total Revenue		<u>12,00,000</u>	<u>100%</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 Gemini Co. Ltd for the year ending 31<sup>st</sup> March 2013.

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:

Books of Gemini Co.Ltd

Common-size Statement of Profit & Loss for the year ending 31<sup>st</sup> March 2013.

Particulars	Note No: _	Absolute Figures at the end of 2013	Percentage to revenue from operations
(I) Revenue from Operations (Sales>Returns Inward-Excise Duty)		20,00,000	100%
(II) Other Income		-	-
(III) Total Revenue (I+II)		<u>20,00,000</u>	<u>100%</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 31<sup>st</sup> March 2014, 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: Books of Tata Motors Ltd

Common size statement of Profit & Loss for the year ended 31<sup>st</sup> March 2014.

Particulars	Note No: _	Absolute Figures at the end of 2014	Percentage to revenue from operations
(I) Revenue from operation		3,95,000	100
(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 Jyoti Prakash Ltd., prepare a Common Size Statement of profit and Loss:

Particulars	Note No.	31.3.12 (Rs)	31.3.13 (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:

Common Size Statement of Profit and Loss  
For the years March 31, 2012 and 2013

Particulars	Note No.	Absolute Amounts		Percentage of Revenue from Operations	
		2012 (Rs)	2013 (Rs)	2012 (%)	2013(%)
I Revenue from Operations		26,00,000	30,00,000	100	100
II Other Income		1,40,000	1,50,000	5.38	5
III Total Revenue (I+II)		<u>27,40,000</u>	<u>31,50,000</u>	<u>105.38</u>	<u>105</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
c) Employees Benefit Expenses		80,000	90,000	3.85	4
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>