

Illustration 1.

From the following Statement of Profit & Loss, prepare Common-size Income Statement:

Particulars	Note No.	31st March, 2023 (₹)	31st March, 2022 (₹)
I. Income			
Revenue from Operations (Net Sales)		12,50,000	10,00,000
II. Expenses			
Purchases of Stock-in-Trade		8,70,000	7,20,000
Change in Inventories of Stock-in-Trade		(20,000)	30,000
Depreciation and Amortisation Expense		30,000	20,000
Other Expenses		50,000	30,000
Total Expenses		9,30,000	8,00,000
III. Profit before Tax (I – II)		3,20,000	2,00,000

Solution:

COMMON-SIZE INCOME STATEMENT
for the years ended 31st March, 2023 and 2022

Particulars	Note No.	31st March, 2023 ₹	31st March, 2022 ₹	Percentage of Revenue from Operations	
				31st March, 2023 (%)	31st March, 2022 (%)
I. Revenue from Operations (Net Sales)		12,50,000	10,00,000	100.00	100.00
II. Expenses					
Purchases of Stock-in-Trade		8,70,000	7,20,000	69.60	72.00
Change in Inventories of Stock-in-Trade		(20,000)	30,000	(1.60)	3.00
Depreciation and Amortisation Expense		30,000	20,000	2.40	2.00
Other Expenses		50,000	30,000	4.00	3.00
Total Expenses		9,30,000	8,00,000	74.40	80.00
III. Profit before Tax (I – II)		3,20,000	2,00,000	25.60	20.00