

Multiple-Step Income Statement كشف الدخل المتعدد الخطوات

Some contend that including other important revenue and expense classifications makes the income statement more useful. These further classifications include:

قد يجادل البعض بأن تضمين كشف الدخل التصنيفات المهمة الأخرى للإيرادات والمصروفات يجعله أكثر أهمية. وتشمل هذه التصنيفات الأخرى:

1. A separation of operating and non-operating activities of the company: For example, companies often present income from operations followed by sections entitled "Other revenues and gains" and "Other expenses and losses." These other categories include such transactions as interest revenue and expense, gains or losses from sales of long-term assets, and dividends received.

1. فصل الأنشطة التشغيلية وغير التشغيلية للشركة: على سبيل المثال، الشركات غالباً ما تقدم الدخل من العمليات يتبعه أقسام بعنوان "إيرادات ومكاسب أخرى" و "المصروفات والخسائر الأخرى". وتشمل هذه الفئات الأخرى معاملات مثل إيراد ومصروف الفائدة، المكاسب والخسائر من بيع الأصول طويلة الأجل، ومقسوم الأرباح المستلم.

2. A classification of expenses by functions: such as merchandising (cost of goods sold), selling, and administration. This permits immediate comparison with costs of previous years and with other departments in the same year.

2. تصنيف المصروفات حسب الوظائف: مثل التجارية (تكلفة البضاعة المباعة)، البيعية، والإدارية. هذا يسمح المقارنة الفورية مع تكاليف السنوات السابقة ومع الإدارات الأخرى في نفس السنة.

Illustration below presents the format of Multiple-step income statement. Note that in arriving at net income, the statement presents three subtotals of note:

الشكل التوضيحي أدناه يقدم صيغة كشف الدخل المتعدد الخطوات. لاحظ أنه للوصول إلى صافي الدخل، يقدم الكشف ثلاث مجاميع فرعية:

1. Net sales revenue صافي إيراد المبيعات
2. Gross profit مجمل الربح
3. Income from operations الدخل من العمليات

Income Statement For the year ended 31 st ,				
Particulars	Amount	Amount	Amount	Amount
Sales revenue:				
Sales				***
Less: Sales discounts			***	
Sales returns and allowances			<u>***</u>	(***)
Net sales revenue				***
Cost of goods sold:				
Inventory January 1			***	
Purchases		***		
Less: Purchases discounts	***			
Purchases returns and allowances	<u>***</u>	(***)		
Net Purchases		***		
Freight and transportation-in		<u>***</u>		
Cost of purchases			<u>***</u>	
Cost of goods available for sale			***	
Less: inventory December 31			(***)	
Cost of goods sold				(***)
Gross profit (loss) on sales				***
Operating expenses:				
Selling expenses:				
Advertising expenses		***		
Freight and transportation-out		***		
Commission and salesmen salaries		***		
Carriage outwards		***		
Packing materials		***		
Travelling expenses		***		
Depreciation on vehicle		***		
Telephone and Internet expense		***		
Postage and stationery		***		
Bad Debts		<u>***</u>	***	
Administrative expenses:				
Office supplies used		***		
Insurance expenses		***		
Office salaries		***		
Postage and Stationary		***		
Telephone and Internet expense		***		
Legal charge		***		
Depreciation of building		***		

Depreciation of office equipment		***		
Utilities expenses		***		
Miscellaneous office expense		***		
Total operating expenses			***	(***)
Income from operation				***
Other revenues and gains:				
Interest earned			***	
Rental revenues			***	
Dividend received			***	***

Other expenses and losses:				
Interest on bonds and notes			***	
			
Bank expenses			***	
Loss by defalcations				(***)
Income before income tax				***
Income tax				(***)
Net income for the year				***

المعادلات الخاصة بكشف الدخل/حساب الأرباح والخسائر Equations of Income statement/Profit and Loss Account

The following equations are highly useful for determination of Net Profit or Net Loss:

المعادلات التالية مفيدة جدا في تحديد صافي الربح او صافي الخسارة:

Net Profit = Gross Profit - operating expenses + other revenues and gains - other expenses and losses - Income tax

Net Profit = Income from operation + other revenues and gains - other expenses and losses - Income tax

Income from operation = Gross Profit - operating expenses

Operating expenses = Selling expenses + Administrative expenses

Net Profit = Income before income tax - income tax

Income before income tax = Income from operation + other revenues and gains - other expenses

EX 1: The following balances have been taken from the trial balance for year ended 31.12.2006:

Sales 320,000, Purchases 220,000, Dividend revenue 10000, Sales return 10000, Purchases return 5000, sales Discount 5000, Purchases Discount 3000, freight -in 3000, inventory at 1 January 10000, , selling expenses 5000, Administrative expenses 5000, Rent revenue 5000, other expense 4000, Income tax 10000.

Note: stock at Dec. 31, 2006 was, 5000 .

Re: Prepare the following for the year ending 31 Dec. 2006: **Single-Step Income Statement** كشف
and multi-Step Income Statement كشف الدخل ذات الخطوات المتعددة **الدخل ذو الخطوة الواحدة**

Multiple -Step Income Statement For the year ended Dec. 31, 2006				
Particulars	Amount	Amount	Amount	Amount
Sales revenue:				
Sales			320000	
Less: Sales discounts		(5000)		
Sales returns and allowances		(10000)	(15000)	
Net sales revenue				305000
Cost of goods sold:				
Inventory January 1			10000	
Purchases		220000		
Less: Purchases discounts	3000			
Purchases returns and allowances	5000	(8000)		
Net Purchases		<u>212000</u>		
Freight- in and transportation-in		3000		
Cost of purchases			215000	
Cost of goods available for sale			<u>225000</u>	
Less: inventory December 31			(5000)	
Cost of goods sold				(220000)
Gross profit (loss)				<u>85000</u>
Operating expenses:				
Selling expenses:			5000	
Administrative expenses:			5000	
<u>Total operating expenses</u>				<u>(10000)</u>
Income from operation				75000
Other revenues and gains:				
Dividend revenue			10000	
Rent revenue			5000	
				<u>15000</u>
				90000
Other expenses and losses:				
Interest on bonds and notes				(4000)
Income before income tax				86000
Income tax				
Net income for the year				(10000)
				76000

Equations the solution :

Net Sales = Sales – (Sales return + Sales discount)

$$= 320000 - (10000 + 5000) = 320000 - 15000$$

Net sales = 305000

Net purchases = purchases – (purchases return + purchases discount)

$$= 220000 - (5000 + 3000) = 220000 - 8000$$

$$= 212000 \text{ Net purchases}$$

Cost of purchases = Net purchases + freight – in

$$= 212000 + 3000 = 215000 \text{ Cost of purchases}$$

Cost of goods available for sale = Beginning Stock + Cost of purchases

$$= 10000 + 215000 = 225000$$

Cost of good sold = Cost of goods available for sale - Ending Stock

$$= 225000 - 50000 = 220000$$

Cost of good sold = Beginning Stock + Cost of purchases - Ending Stock

$$= 10000 + 215000 - 5000$$

$$= 225000 - 5000 = 220000 \text{ Cost of good sold}$$

Gross Profit = Net Sales - Cost of good sold

$$= 305000 - 220000 = 85000 \text{ Gross Profit}$$

Income from operation = Gross Profit - operating expenses(selling and Administrative expenses)

$$= 85000 - (5000 + 5000)$$

$$= 85000 - 10000 = 75000 \text{ Income from operation}$$

Income before income tax = Income from operation + Other revenues and gains - Other expenses and losses (Interest on bonds and notes) (Dividend revenue and Rent revenues)

$$4000 \quad 10000 + \quad 5000$$

$$= 75000 + 15000 - 4000 = 90000 - 4000 = 86000 \text{ Income before income tax}$$

Net income = Income before income tax - Income tax

$$= 86000 - 10000 = 76000 \text{ Net income}$$