

حساب الأرباح والخسائر Profit and Loss Account

The profit and loss account reveals the net profit or net loss resulting from the trading operations during the particular period. Net profit refers to the surplus which remains after deducting related trading expenses from the gross profit, and any incomes and gains, other than sales, will be adding.

يظهر حساب الأرباح والخسائر صافي الربح أو صافي الخسارة الناتجة عن العمليات التجارية خلال فترة معينة. ويشير صافي الربح إلى الفائض الذي يبقى بعد خصم المصاريف التجارية المرتبطة بها من مجمل الربح، وإضافة أي دخل ومكاسب أخرى من غير المبيعات.

The trading expenses incurred in a business are divided in two parts. i.e. one is Direct expenses are recorded in trading account, and another one is Indirect expenses, which are recorded on the debit side of profit and loss account and refer to inclusive of office and administrative expenses, selling and distribution expenses, financial expenses, and other non-operating expenses.

وتنقسم المصاريف التجارية التي تتحملها الأعمال إلى جزأين. الجزء الأول هو المصاريف المباشرة التي تسجل في حساب المتاجرة، والجزء الآخر هو المصاريف غير المباشرة، والتي يتم تسجيلها في الجانب المدين من حساب الأرباح والخسائر وتشير إلى المصاريف الإدارية والمكتبية، مصاريف البيع والتوزيع، المصاريف المالية، وغيرها من المصاريف غير التشغيلية.

The following Specimen Proforma of a Profit and Loss Account which is widely used in practice:

النموذج التالي شكل حساب الأرباح والخسائر والذي يستخدم على نطاق واسع في التطبيق:

PROFIT AND LOSS ACCOUNT For the year ended 31 st ,			
Particulars التفاصيل	Amount المبلغ	Particulars	Amount
To Gross Loss	***	By Gross Profit	***
To office and administrative expenses:	***	By Investment Income:	***
Office rent	***	Interest earned	***
Office salaries	***	Dividend received	***
Printing and Stationary	***	Interest on Debenture	***
Lighting and Heating	***		
Audit fees	***		
Telephone charge	***		
Legal charge	***		
General expenses	***		
To Selling and Distribution expenses:	***	By Miscellaneous Income:	***
Advertising expenses	***	Commission earned	***
Commission and salesmen salaries	***	Rents received	***
Carriage outwards نقل للخارج	***	Profit on sale fixed assets	***
Packing material مواد التغليف	***		
Travelling expenses	***		

Depreciation on fixed assets	***		
Bad Debts	***		

		By Net Loss Transferred to Capital/Appropriation Account	***
To Finance Charges:			
Loan interest	***		
Bank charges	***		
To Net Profit Transferred to Capital/Appropriation Account	***		
	***		***

Closing Entries in respect of Profit and Loss Account قيود الغلق الخاصة بحساب الأرباح والخسائر

We have already seen the entry required for transferring the gross profit/loss to the profit and loss account, now to complete the profit and loss account, the under mentioned three entries will be required:

لقد رأينا بالفعل القيد المطلوب لنقل مجمل الربح/ الخسارة إلى حساب الأرباح والخسائر، والآن لاستكمال حساب الأرباح والخسائر، القيود الثلاثة ادناه ستكون مطلوبة:

- 1- For items to be debited to the profit and loss account: Debit Profit and Loss Account and the various expenses accounts concerned will be credited. For example:

1- الفقرات التي يجب ان يجعل حساب الأرباح والخسائر مدين بها: حساب الأرباح والخسائر مدين وحسابات المصاريف المختلفة المرتبطة به ستكون دائنة:

Profit and Loss Account	xxxx
To:	
Office rent	xxxx
Printing and Stationary	xxxx
Travelling expenses	xxxx
Advertising expenses	xxxx
Carriage outwards	xxxx
Bad Debts	xxxx
Bank charges	xxxx

- 2- Items of income or gains: the various income accounts concerned will be debited and credited to Profit and Loss Account. For example:

2- فقرات الدخل او المكاسب: حسابات الدخل المختلفة المرتبطة ستكون مدينة وحساب الارباح والخسائر دائن:

From:

Interest earned	xxxx	
Dividend received	xxxx	
Interest on Debenture	xxxx	
Commission earned	xxxx	
		To Profit and Loss Account
		xxxx

- 3- At this stage, the profit and loss account will show net profit or net loss. Both have to be transferred to Capital or Appropriation account on the basis of the legal form of a business entity. In case of net profit, i.e. when the credit side is bigger than the debit side, the entry is:

في هذه المرحلة، سيظهر حساب الارباح والخسائر صافي ربح او صافي خسارة. اي منهما يجب ان تنقل الى حساب رأس المال او حساب التخصيص على اساس الشكل القانوني لوحدة الاعمال. في حالة صافي الربح، اي عندما يكون الجانب الدائن اكبر من الجانب المدين، فان القيد هو:

Profit and Loss Account	xxxx	
		To Capital Account
		xxxx

In the case of net loss, the entry will be:

في حالة صافي الخسارة، فان القيد سيكون

Capital Account	xxxx	
		To Profit and Loss Account
		xxxx

مثال 1: Ex 1

Incomes, expenses, and Gross Profit of ABC Traders for the year ended 31st December 2012 were as follows, you are required to prepare profit and loss account.

Gross Profit 5,200,000, Office Salaries 1,100,000 , Bad Debts 170,000 , Depreciation on equipment for sale 350,000, Legal charge 250,000, Audit fees 320,000, Salesmen Commission 610,000, Interest (De.) 130,000, Telephone charge 120,000 , Advertising expenses 270,000, Electricity charge 240,000 , Interest (Cr.) 200,000 , Carriage outwards 90,000

From the figures given above, the Profit and Loss Account will appear as shown below:

ABC TRADERS PROFIT AND LOSS ACCOUNT			
For the year ended 31 st December 2012			
Particulars	Amount	Particulars	Amount
To office and administrative expenses:		By Gross Profit /	5,200,000
Office salaries	1,100,000		
Electricity charge	240,000	By Investment Income:	
Audit fees	320,000	Interest Cr	200,000
Telephone charge	120,000		
Legal charge	250,000		
To Selling and Distribution expenses:			
Advertising expenses	270,000		
Salesmen Commission	610,000		
Carriage outwards	90,000		
Depreciation	350,000		
Bad Debts	170,000		
To Finance Charges:			
Interest De	130,000		
To Net Profit	1750000		
Transferred to Capital Account			
	5,400,000		5,400,000

From the information given in Illustration 3 pass necessary closing entries in the journal proper of ABC Traders.

ABC TRADERS JOURNAL			
Date 2012	Particulars	Debit	Credit
Dec.31	Profit and Loss Account	3,650,000	
	Office salaries A/c		1,100,000
	Electricity charge A/c.....		240,000
	Audit fees A/c		320,000
	Telephone charge A/c.....		120,000
	Legal charge A/c.....		250,000
	Advertising expenses A/c.....		270,000
	Salesmen Commission A/c		610,000
	Carriage outwards A/c.....		90,000
	Depreciation A/c.....		350,000
	Bad Debts A/c		170,000

	Loan interest A/c (Being the transfer of balances of various expenses accounts)		130,000
	interest earned A/c..... Profit and Loss Account..... (Being the transfer of balances of various income accounts)	200,000	200000
	Profit and Loss Account Capital A/c..... (Being the transfer of net profit to capital account)	1,750,000	1,750,000

Ex :2

Prepare Profit and Loss Account and concerned closing entries, from the following balances of Mr. Ali for the year ending 31.12.2007.

Office rent 3000, Printing expenses 2,200, Office insurance 1,400, Advertisement 3,600, Office Salaries 8,000, Stationeries 2,400, Travelling expenses 2,600, Gross Profit transferred from the Trading A/c 25,000.

Ex : 3

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

Sales 250,000, Purchases 156,000, Sales return 5,400, Purchases return 7,200, Discount received 2,500, Discount allowed 3,700, Stock at 1 January 12,350, Office Salaries 46,000, Electricity and gas 3,000, Rent 2,000, General expenses 4,700.

Note: stock at Dec. 31, 2006 was 16,300

Instructions: Prepare the following for the year ending 31 Dec. 2006:

- 1- Trading Account and the concerned Closing Entries. حساب المتاجرة وقيود الغلق
- 2 - Profit and loss account and the concerned Closing Entries. حساب الارباح والخسائر وقيود الغلق