



المادة: تحليل القوائم المالية
(Financial statements analysis)

للعام الدراسي 2022-2023

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Income statement

What Is an Income Statement?

An income statement is one of the three important financial statements used for reporting a company's financial performance over a specific accounting period. The others key statements are the balance sheet, the cash flow statement and Shareholders' Equity.

ما هو بيان الدخل؟

بيان الدخل هو أحد البيانات المالية الثلاثة الهامة المستخدمة للإبلاغ عن الأداء المالي للشركة خلال فترة محاسبية محددة. البيانات الرئيسية الأخرى هي الميزانية العمومية وبيان التدفقات النقدية وحقوق المساهمين.

The income statement focuses on the revenue, expenses, gains, and losses of a company during a particular period. Also known as the profit and loss (P&L) statement or the statement of revenue and expense, an income statement provides valuable insights into a company's operations, the efficiency of its management, underperforming sectors, and its performance relative to industry peers.

يركز بيان الدخل على الإيرادات والمصروفات والمكاسب والخسائر للشركة خلال فترة معينة. يُعرف أيضًا باسم بيان أو بيان الإيرادات والمصروفات، ويوفر بيان الدخل رؤية قيمة لعمليات الشركة، وكفاءة (P&L) الربح والخسارة إدارتها، والقطاعات المتدنية الأداء، وأدائها مقارنة بأقرانها في الصناعة.

Importance of an income statement

Following are the few other things that an income statement informs:

1. Frequent reports: While other financial statements are published annually, the income statement is generated either quarterly or monthly. Due to this, business owners and investors can track the performance of the business closely and make informed decisions. This also enables them to find and fix small business problems before they become large and expensive.
2. Pinpointing expenses: This statement highlights the future expenses or any unexpected expenditures which are incurred by the company, and any areas which are over or under budget. Expenses include building rent, salaries and other overhead costs. As a small business begins to grow, it may find its expenses soaring. These expenditures may involve hiring workers, buying supplies and promoting the business.
3. Overall analysis of the company: This statement gives investors an overview of the business in which they are planning to invest. Banks and other financial institutions can also analyze this document to decide whether the business is loan-worthy.

أهمية بيان الدخل

فيما يلي بعض الأشياء الأخرى التي يوضحها بيان الدخل:

١. التقارير المتكررة: بينما يتم نشر البيانات المالية الأخرى سنويًا، يتم إصدار بيان الدخل إما ربع سنوي أو شهري. نتيجة لذلك، يمكن لأصحاب الأعمال والمستثمرين تتبع أداء الأعمال عن كثب واتخاذ قرارات مستنيرة. وهذا يمكنهم أيضًا من العثور على مشاكل الأعمال الصغيرة وإصلاحها قبل أن تصبح كبيرة ومكلفة.

٢. تحديد النفقات: يسلط هذا البيان الضوء على النفقات المستقبلية أو أي نفقات غير متوقعة تتكبدها الشركة، وأي مجالات تتجاوز أو تقل عن الميزانية. تشمل المصروفات إيجار المبنى والرواتب والتكاليف العامة الأخرى. عندما تبدأ شركة صغيرة في النمو، قد تجد نفقاتها مرتفعة. قد تتضمن هذه النفقات توظيف العمال وشراء الإمدادات وتعزيز الأعمال التجارية.

٣. التحليل العام للشركة: يعطي هذا البيان للمستثمرين لمحة عامة عن الأعمال التجارية التي يخططون للاستثمار فيها. يمكن للبنوك والمؤسسات المالية الأخرى أيضاً تحليل هذه الوثيقة لتقرير ما إذا كانت الأعمال التجارية تستحق القرض.

Income statement strictures

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Details	
Revenues (Sales)	XX
-Cost of Revenues (Cost of Sales)	XX
Total Income =	XX
-Operating Expenses:	XX
Operating Income=	XX
Other Revenues+	XX
Other Expenses-	XX
=Net Income Before Tax	XX
-Income Tax (10%)	XX
Net Income After Tax=	XX

* An operating expense is an expense a business incurs through its normal business operations.

Examples of operating expenses include:

Phone lines.

Office supplies.

Research and development.

Utility bills, such as internet or electricity.

Rent and repair costs for non-production buildings.

Compensation, payroll tax expenses.

Marketing costs such as advertising, direct mail, and sales material.

نفقات التشغيل هي مصروفات تتكبدها الشركة من خلال عملياتها التجارية العادية.

تتضمن أمثلة نفقات التشغيل ما يلي:

خطوط الهاتف.

اللوازم المكتبية.

البحث والتطوير.

فواتير الخدمات مثل الإنترنت أو الكهرباء.

تكاليف إيجار وإصلاح المباني غير الإنتاجية.

التعويضات، مصاريف ضريبة الرواتب.

تكاليف التسويق مثل الإعلان والبريد المباشر ومواد البيع.

1. Net Sales = Revenues - Cost of Revenues (Cost of Sales)
2. Net operating Income = Total Income - Operating Expenses
3. Net income before tax = operating income + other income - other expenses
4. Net Income After Tax = Net Income Before Tax - Income Tax Due

Example (1):

The following data is extracted from the books of AI-MUTHANA Company for the year 2021 (amounts in dinars):

sales 500000, Cost of Sales 380000, Salaries 50000, Rent 30000, Other Revenues 15000, Other Expenses 15000, Tax percentage 10%.

Required: Prepare the Income Statement for the year ended 31/12 /2021

Details	
Revenues (Sales)	500000
-Cost of Revenues (Cost of Sales)	380000
Total Income =	120000
-Operating Expenses:	
Rent	30000
Salaries	50000
Operating Income=	40000
Other Revenues+	15000
Other Expenses-	15000
=Net Income Before Tax	40000
-Income Tax (10%)	4000
Net Income After Tax=	36000

B

Details	XX
Total Sales	XX
Sales Return-	XX
-Discount Permitted	XX
Net Sales	XX
Cost of Sales:-	XX
Beginning inventory	XX
Purchases+	XX
+Purchases Expenses	xx
Purchases Return-	XX
Earned Discount-	XX
Net purchases=	XX
+Beginning inventory	XX
=Cost of goods available for sale	XX
-Ending inventory	xx
=cost of goods sold	XX
Net sales	xx
- cost of goods sold	xx
Gross Income =	xx
Operating Expenses:-	XX
Net Operating Income=	XX
Other Revenues:+	XX
-Other expenses	XX
=Net Income Before Tax	XX
- Income Tax	XX
Net Income After Tax=	XX

5. Net purchases = Purchases + Purchases Expenses - Purchases Return and allowances - Earned Discount

6. Cost of goods available for sale = Net purchases + Beginning inventory

7. Cost of goods sold = Cost of goods available for sale - Ending inventory

8. Total Income = Net Sales - cost of goods sold

EXAMPLE 2:

The following information about AL-SALAMAN company for year ended Dec.31 2020 in IQD is available:

Purchases discounts 3,000 ,Beginning merchandise inventory 37,299 ,transportation-in 1,400 ,Sales returns and allowances 31,000 ,Sales revenue 750,000 ,Purchases returns and allowances 3,000 ,Ending merchandise inventory 43,000 ,Rent expense 31,000, Sales salaries expense 28,000 ,Maintenance expenses 16,000 ,Office supplies expense 3,900 ,Hospitality expense 67,000 ,Sales discounts 9,800 ,(other expenses)32,000 ,Income tax 40,000 ,Interest revenue (other revenue) 40,000 ,Purchases 50,000 .

Required: Prepare an income statement for year ended Dec. 31 2020 for above company.

Details	
Total Sales	750,000
-Sales Return	31,000
-Discount Permitted	9,800
=Net Sales	<u>709,200</u>
Purchases+	50,000
Purchases Expenses+	1,400
Purchases Return and allowances -	3000
Earned Discount-	3000
=Net purchases	<u>45,400</u>
+Beginning inventory	37,299
=Cost of goods available for sale	<u>82,699</u>
-Ending inventory	43,000
=cost of good sold	<u>39,699</u>
Net Sales	709,200
- cost of goods sold	39,699
Total Income =	<u>669,501</u>
Operating Expenses:-	
Rent expense	31,000,
Sales salaries expense,	28,000
Maintenance expenses,	16,000
Office supplies expense,	3,900
Hospitality expense	67,000
Net Operating Income=	<u>523,601</u>
+ Other Revenues	40,000
-Other expenses	32,000
=Net Income Before Tax	<u>531,601</u>
-Income Tax	40,000
Net Income After Tax=	<u>491,601</u>

Exercises (1):

The following data is extracted from the books of Al-Huda Company for the year 2022 (amounts in dinars):

Sales 500000, Other Revenues 12000, Salaries 70000, Other Expenses 12000, Rent 40000, Cost of Sales 200000, Tax percentage 10%

Required: Prepare the Income Statement for the year ended 31/12 /2022

EXERCISE (2):

Q1- The following information about ABBAS company for year ended Dec.31 2018 in IQD is available:

Sales salaries expense 40,000, Purchases discounts 3,200 ,Rent expense- Office space 1,200 ,Office salaries expense 30,000 ,Purchases 44,000 ,Income tax 19,000 Ren expense-Selling space 16,000 ,Interest revenue (other revenue) 16,500, Advertising expense 99,000, transportation-in 7,800 ,Sales returns and allowance 81,000 ,Office supplies expense 12,000 ,Ending merchandise inventory 200,000 Purchases returns and allowances 9,120 ,Loss on sale of investments (other expenses) 2,500 ,Sales revenue 1,010,000 ,Beginning merchandise inventory 780,000 .Sales discounts 8,000 .

Required: Prepare an income statement for year ended Dec. 31 2020 for above company.