

Multi-Step Profit Statement

For the Year Ended 31 December 2023

Sales Revenue	100,000
Less: Sales Returns	(2,000)
Net Sales	98,000
Cost of Goods Sold	(62,000)
Gross Profit	36,000
Operating Expenses	
Selling Expenses	(8,000)
Administrative Expenses	(7,000)
Total Operating Expenses	(15,000)
Operating Income	21,000
Other Income	1,200
Other Expenses	(500)
Net Profit Before Tax	21,700
Income Tax Expense	(6,500)
Net Profit	15,200

Important Notes

- This statement separates operating and non-operating activities for clarity.
- Gross profit and operating profit are shown before arriving at net profit.
- Helps in analyzing business performance more effectively.
- Often preferred by stakeholders for detailed profitability insights.