

Segmental Income Statement

Particulars	Segment A	Segment B	Segment C	Total
Revenue	100,000	70,000	55,000	225,000
Less: Variable Costs	54,000	38,000	29,000	121,000
Contribution Margin	46,000	32,000	26,000	104,000
Less: Segment Fixed Costs	12,000	9,000	8,000	29,000
Segment Margin	34,000	23,000	18,000	75,000
Less: Common Fixed Costs				18,000
Net Operating Income				57,000

Important Notes

- Segmental income statements display revenues, costs, and profits for each business segment.
- Variable and fixed costs are separated as either traceable (to segment) or common (shared among all).
- This format helps management analyze segment performance and profitability.
- It aids in decision-making, such as resource allocation and segment evaluation.
- Common fixed costs are not assigned to segments but shown at the company level.