

ABC Trading Company

Gross Profit Statement

For the Year Ended 31st March 2024

Particulars	Amount (USD)
Revenue from Sales	500,000
Less: Sales Returns	(10,000)
Less: Discounts Allowed	(5,000)
Net Sales	485,000
Cost of Goods Sold (COGS)	
Opening Stock	40,000
Add: Purchases	320,000
Add: Carriage Inwards	6,000
Less: Closing Stock	(36,000)
Total Cost of Goods Sold	330,000
Gross Profit	155,000

Important Notes:

- This statement shows the trading company's gross profit before deducting other operating costs and expenses.
- Gross profit is calculated as Net Sales minus Cost of Goods Sold (COGS).
- Accurate inventory valuation (opening and closing stock) is crucial for a true profit figure.
- Returns and discounts must be clearly shown and deducted from gross sales.
- This statement is essential for management decision-making, financial analysis, and reporting to stakeholders.