

Profit and Loss Account:

Q9. From the following figures, calculate Operating Profit:

Net Profit	1,00,000	Rent Received	10,000
Gain on sale of Machine	15,000	Interest on Loans	20,000
Donation	2,000		

Solution –

$$\begin{aligned}\text{Operating Profit} &= \text{Net Profit} - \text{Rent Received} - \text{Gain on Sale of Machine} + \\ &\text{Interest on loan} + \text{Donation} \\ &= 1,00,000 - 10,000 - 15,000 + 20,000 + 2,000 \\ &= 97,000\end{aligned}$$