Formulas

1) Net purchases = Purchase - P/Returns
2) Net sales = Sales - S/R
3) COGS = Net sales - GP
4) GP = Net sales - COGS
5) Cost of goods sold = Opening stock + Net purchase + Direct expense - Closing stock
6) Adjusted purchase = Opening stock + Net purchase - closing stock

Profit and loss A/C

1) All indirect expenses [Debit side]
[office, Sales, Advertisement, Salaries, printing, stationary and other expenses, Outwards expenses, Commission, Bad debts, Miscellaneous

2) Incomes
Commission, Rent, interest, [illegible]
Recieved ... Received

Particulars	₹	Particulars	₹
To salary To Rent, printing, stationary, lighting, post office exp, audit fees, Commission paid (Expenses)		Rent Received, Discount Received, Divident Rec., Comission Rec, bad debts recovered, etc (Indirect)	