

**JMS COLLEGE, MUNGER, BIHAR
(MUNGER UNIVERSITY)
Department of Commerce**

B.Com Part-III,

INCOME & EXPENDITURE A/C

Income & expenditure actt can be defined as an account that reveals surplus or deficit of a non-trading concern by matching incomes and expenses of a specified accounting period.

Features:-

- Expenses are entered on debit side and incomes on the credit side
- Any income of revenue nature relating to the present period whether actually received or not and any expenditure of revenue nature whether paid or not being taken into account.
- Capital items are excluded.
- All receipts and payments relating to the preceding or succeeding period are excluded.
- It shows the excess of income over expenditure or vice versa.
- Similar to Profit and Loss account of profit making entities.

- It is made on Accrual Basis.
- There is no opening or closing balance

Format:-

| Name _____ | | | |
|---------------------------------------|----|--------|----|
| INCOME AND EXPENDITURE ACCOUNT | | | |
| For the year ended _____ | | | |
| Expenditure | \$ | Income | \$ |
| | | | |