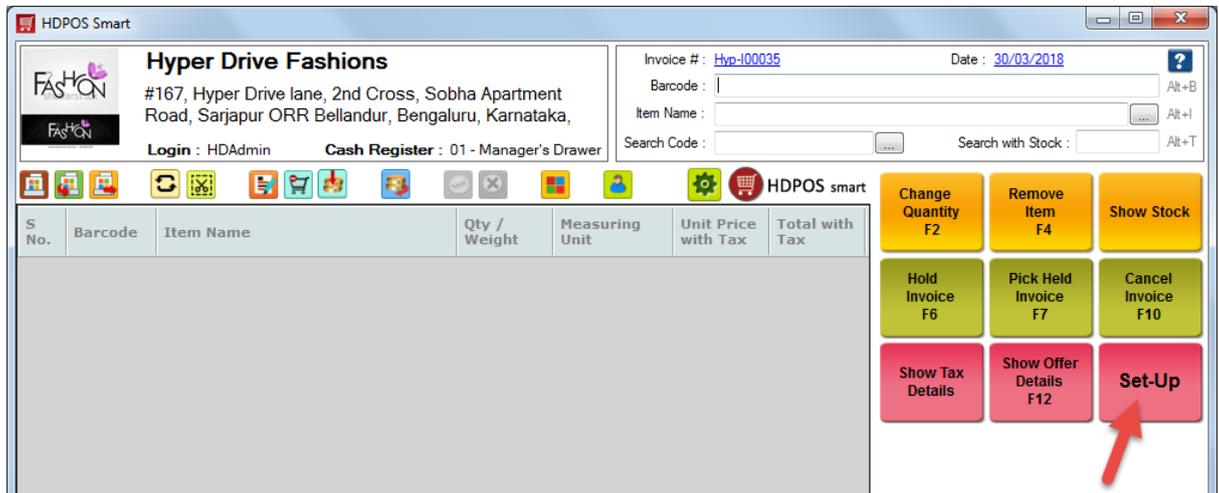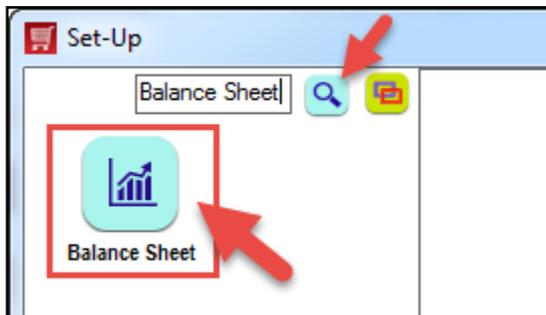Profit and Loss account displays the profit or loss that is earned.

To check Profit and Loss account's drill down in HDPOS smart, follow the steps below:

1. Run **HDPOS smart** and click on **Set-Up**.

2. From **Set-Up** screen, search for **Balance sheet** from the **Search** icon. Click on **Balance Sheet**.


3. You will see **Manage Balance Sheet** screen.
   - Select **Profit and Loss** button. By default this will be selected.
   - Select **Company** for which you want to see the **Profit and Loss** account drill down.
   - Select the **Date range**.
   - If you want to give **time range** also, check the checkbox **Time Range** and enter time also beside date.
   - You can check the check box **Use FIFO to Get Stock Value** it helps to get the stock value based on **First in First Out** manner.
     E.g. If an item X of Qty: 2 is first purchased at a price of Rs. 100 and the second purchase of item X of Qty: 1 is done at Rs. 110.
     If the **check box is checked** then the total stock value will be calculated as (2*100) + (1*110), If **not checked** then the total will be (3*110) it will take the last purchase price.
   - Click on **View Details** button.
   - You will see the details of **Profit and Loss account** as shown below.

- You will see all the account groups along with their respective amounts.
- The Profit and Loss account's drill down gives all accounts' credit and debit details. On the left hand side--- you can see all **debit (money is going out)** related amounts and on the right hand side---you can see all **credit (money is coming in)** related amounts.
- Profit or Loss is the difference between the Debit and Credit balance.
- If the difference is **positive**, it is **Net profit**.
- If the difference is **negative**, it is **Net loss**.
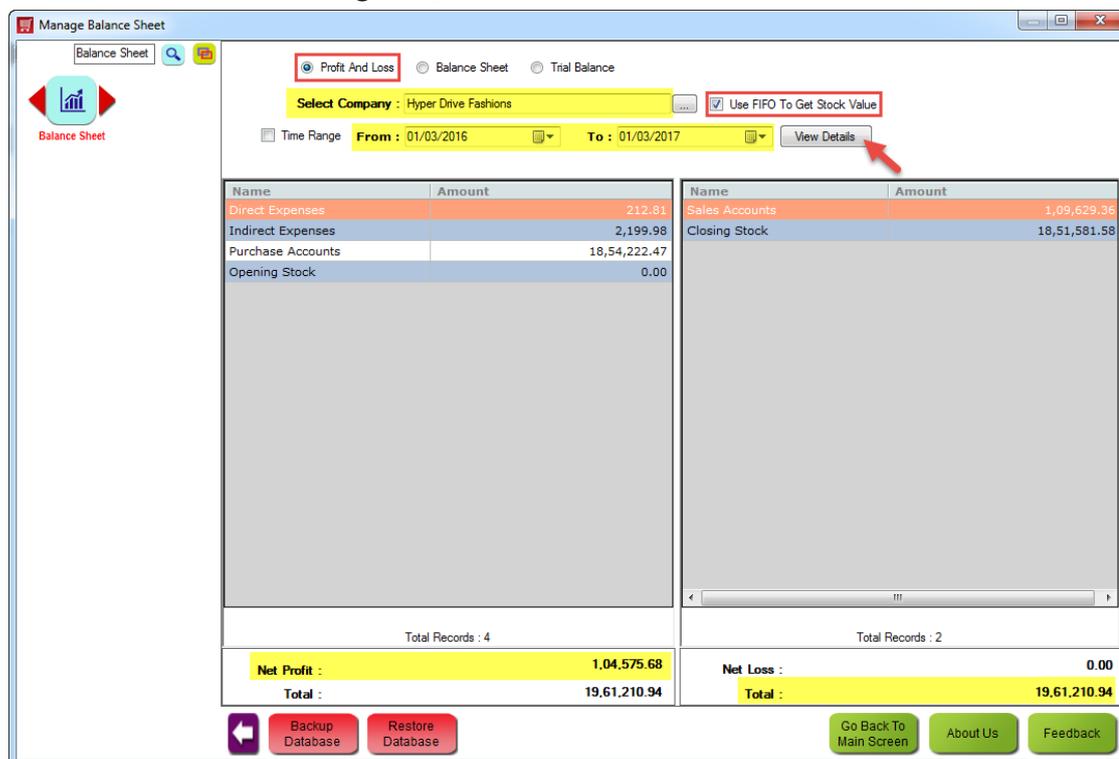
4. By default , in HDPOS smart the **Account Groups** that come under '**Profit and Loss**' Account Type are as follows:

- **Direct/Indirect Expenses**: This will show all your expenses incurred in your business for the period selected. For e.g. Salaries, rent, depreciation of fixed assets, tax paid, discounts given etc.
- **Direct/Indirect Incomes**: This will show all your income earned in your business for the period selected. For e.g. Discount received, interest earned.
- **Purchase Accounts**: This will show you the total of all purchase made for the selected date range. Purchases not made in the selected date range will not reflect in the purchase Account Total.
- **Opening stock**: Opening stock is the value of goods available for sale in the beginning of an accounting period/ date range selected. The opening stock will be calculated at the price at which it was purchased. Here it will be assumed that the goods purchased first were sold first and the stock remaining is the stock that was purchased later.
- **Sales Account**: This will show the total value of stock sold for the selected period. Here sales value is calculated as **'quantity sold' * price at which it was sold.**
- **Closing Stock**: Closing stock is the value of goods unsold at the end of the accounting period or the date range selected. Here the goods unsold will be multiplied with its purchase value

to arrive at the closing stock value. Here is an e.g. of how your closing stock value is arrived at. Assume your purchases are as follows.

If **Use FIFO To Get Stock Value** checkbox is checked:

	Item purchased	Qty	Purchase Price	Qty. sold	Bal. Stock	Closing Stock (Bal. qty *Purchase Price)
Day 1	Item 1	5	10	5	0	0
Day 2	Item 1	10	12	4	6	72
Day 3	Item 1	5	11		5	55
				Closing Stock		127

If **Use FIFO To Get Stock Value** checkbox is unchecked.

	Item purchased	Qty	Purchase Price	Qty. sold	Bal. Stock
Day 1	Item 1	5	10	5	0
Day 2	Item 1	10	12	4	6
Day 3	Item 1	5	11		5
				Total Bal.Stock	11
Closing Stock = (Total Bal. Stock) * (Last Purchase Price) = 11* 11 => 121					

5. By default , in **HDPOS smart** the accounts that come under '**Profit and Loss**' Account Type are as follows:
   - CcCommissionExpense A/c (Credit Card Commission Expense Account)
   - CcCommissionCollection A/c (Credit Card Commission Collection Account)
   - Discount A/c
   - FcCommissionCollection A/c (Food Coupon Commission Collection Account)
   - FcCommissionExpense A/c(Food Coupon Commission Expense Account)
   - Purchase A/c
   - Sales A/c.

6. Whenever transactions reflect the above accounts, the respective Account Groups will be displayed in the Profit and Loss Account Drill down Statement.

Account Name	Account Group
CcCommissionExpense	Direct Expense
CcCommissionCollection	Indirect Income
Discount A/C	Indirect Expense
FcCommissionCollection	Indirect Income
FcCommissionExpense	Direct Expense
Purchase A/C	Purchase Account
Sales A/C	Sales Account

For e.g. If you made a sales of an item and you gave a discount for that sale, then you will see **Sales A/c** and **Indirect Expenses** in the Profit and Loss Account's drill down along Opening and Closing Stock.

7. To see the **Profit and Loss Account's drill down**, select an account group and double click on it. For e.g. I have selected the **Indirect Expenses** and **double clicked** on it.

Name	Amount
Direct Expenses	212.81
Indirect Expenses	2,199.98
Purchase Accounts	18,54,222.47
Opening Stock	0.00

8. You will see a screen of **Manage Financial Account**, where the Accounts belonging to Indirect Expenses (that is Discount A/c) are given with details.

9. To drill down further, click on **View Ledger** button from the tool strip of **Manage Financial Accounts** screen, to see the **Discount A/c** details clearly.
   - In the Account Ledger, you can see all transactions of Discount A/c clearly.

10. Select any one entry in the ledger and double click on it to see the original transaction for that entry. For e.g. in the above ledger it shows two sales invoices. I selected the first one and double clicked on it.

11. In the same way, you can check the drill down of every account group and its accounts in HDPOS smart for Profit and Loss account drill down.