

Every business has one or two major sources of revenue and may also, have some minor sources of revenue also. So, the sources of revenue may be divided into two categories.

1. Operational Sources of Revenue:

The revenue earned out of normal business activities belongs to this source. For example, for a trader, sale proceeds of goods is a major source of revenue; for a property dealer, commission earned is a major source of revenue, for a lawyer, fees earned is a major source of revenue.

Revenue from product sales is a major component of total return. This is operating income, which reflects the mission and profile of the company. It is calculated as the difference between revenue and its total cost (excluding VAT and excise duty)

This so-called direct method of calculating earnings. There is an analytical method of calculation, which predicted earnings adjustment determined its actual (baseline) values. Given the influence of certain factors in the planning period factors can serve as change in production and sales, production costs and prices.

2. Financial Sources of Revenue:

Any revenue arising from sources other than normal business activities belongs to this category. e.g. interest, dividend, profit on sale of fixed assets etc. Non-operating income from operations is Income from equity participation in joint ventures, leasing property to rent, dividends, securities, income from owning debt, the proceeds of economic sanctions and is calculated as the difference between the income derived from the performance of these operations and costs on their performance.

