

Basis of Difference	Direct Incomes	Indirect Incomes
Meaning	The Incomes which are earned from the sale of goods and services.	The Incomes which are earned from other sources than the sale of goods and services.
Help in Calculation of	Gross Profit	Net Profit
Included in the operating Profit	These Incomes include the operating profits.	These Incomes not include the operating profits.
Financial Statement	Posted in the trading account	Posted in the Profit and loss account
Related to	These incomes are related to Operational activities i.e. the sale of goods and services	These expenses are related to the business's non-operational activities
Need	Calculation of the income is needed to know the actual earnings from the business operations activities.	Calculation of the income is needed to know the total earnings from the business's operations and non-operational activities.