

## Chart of Difference between capital and revenue expenditures

Basis of Difference	Capital Expenditure	Revenue Expenditure
<b>Meaning</b>	Capital expenditure is that amount spend on the more valuable goods or services which is used for the long duration. <span style="float: right; color: blue; font-weight: bold;">Tutor'sTips.com</span>	Revenue expenditure is that amount spend on the more goods or services which is used/consumed in the short duration.
<b>Year of Benefit</b>	we will drive the benefit from these expenditures in the current year as well as in the future year also	we will drive the benefit from these expenditures in the current year only
<b>Duration</b>	Capital Expenditure has a duration of more than one year.	Revenue Expenditure has a duration of up to the one year.
<b>Financial Statement</b>	It will be posted in the Balance sheet.	It will be posted in the Trading and Profit/Loss account.
<b>Capitalized</b>	These expenditures will be capitalized.	These expenditures will not be capitalized.
<b>Nature</b>	It a is non-recurring in nature.	It a is recurring in nature.
<b>Need</b>	To improve the working capacity or to grow the business	To running the existing business capacity properly.
<b>Matching Concepts</b>	These are not matched with the capital receipts	These are matched with the revenue receipts to know the profit/loss for the year.
<b>Sub Categories</b>	It has no subcategories.	It has two subcategories. 1. Direct Expenses 2. Indirect Expenses