

BASIS FOR COMPARISON	PROFIT ORGANIZATION	NON-PROFIT ORGANIZATION
Meaning	A legal entity, which operates for earning profit for the owner, is known as For-profit or Profit organization.	A non-profit organization is a legal entity, which operates for serving the society as a whole.
Motive	Profit motive	Service Motive
Form of organization	Sole proprietorship, Partnership firm or company	Club, Trust, Public hospitals, society, etc.
Management	Sole proprietor, partners or directors, as the case may be.	Trustees, committees or governing bodies.
Source of revenue	Sale of goods and services.	Donation, subscription, membership fee etc.
Commenced through	Capital contributed by the owners.	Funds from donation, subscription, government grant and so on.
Financial Statement	Income statement, Balance Sheet and Cash flow statement	Receipt & Payment A/c, Income & Expenditure A/c and Balance Sheet.
Money earned over and above	Profit, is transferred to capital account.	Surplus is transferred to capital fund.