Q20. Himanshu withdrews Rs.2,500 at the end Month of each month. The Partnership deed provides for charging the interest on drawings @ 12% p.a. Calculate interest on Himanshu's drawings for the year ending 31st December, 2014.

Sol:

Total Drawing of Himanshu = $2,500 \times 12 = 30,000$

Interest on Drawing = Total Drawing $\times \dfrac{Rate}{100} \times \dfrac{5.5}{12}$

$= 30,000 \times \dfrac{12}{100} \times \dfrac{5.5}{12}$

$= 1,650$

Drawingis made at the end of every month.
Therefore, Period taken is 5.5 month.

********** END *********