



Q24. Harish is a partner in a firm. He withdrew the following amounts during the year 2015 :

	Rs.
February 01	4,000
May 01	10,000
June 30	4,000
October 31	12,000
December 31	4,000

Interest on drawings is to be charged @ 7 1/2 % p.a.

Calculate the amount of interest to be charged on Harish's drawings for the year ending December 31, 2015.

Sol:

Calculation of interest on Harish's drawings			
Period	Month	Drawings × Period	Product
1 st Feb, 15 to 31 st Dec, 15	11	4,000 × 11 =	44,000
1 st May, 15 to 31 st Dec, 15	8	10,000 × 8 =	80,000
30 th June, 15 to 31 st Dec, 15	6	4,000 × 6 =	24,000
31 st Oct, 15 to 31 st Dec, 15	2	12,000 × 2 =	24,000
31 st Dec, 15 to 31 st Dec, 15		4,000 × 0 =	0
	Sum of Product		1,72,000

$$\begin{aligned}\text{Interest on Drawing} &= \text{Sum of Product} \times \frac{\text{Rate}}{100} \times \frac{1}{12} \\ &= 1,72,000 \times \frac{7.5}{100} \times \frac{1}{12} \\ &= 1,075\end{aligned}$$

***** END *****