



Q17. RISHI IS A PARTNER IN A FIRM. HE WITHDREW THE FOLLOWING AMOUNTS DURING THE YEAR ENDED MARCH 31,2014

May 01,2013	Rs.12,000
July 31,2013	Rs.6,000
September 30,2013	Rs.9,000
November 30,2013	Rs.12,000
January 01,2014	Rs.8,000
March 31,2014	Rs.7,000

Interest on drawings is charged @ 9% p.a.
Calculate interest on drawings

Sol:

Product Method				
Period	Months	Amount	Product= Drawing × Period	
1 st May, 2013 to 31 st March, 2014	11	12,000	$12,000 \times 11$ =	1,32,000
31 st July, 2013 to 31 st March, 2014	8	6,000	$6,000 \times 8$ =	48,000
30 th September, 2013 to 31 st March, 2014	6	9,000	$9,000 \times 6$ =	54,000
30 th November, 2013 to 31 st March, 2014	4	12,000	$12,000 \times 4$ =	48,000
1 st January, 2014 to 31 st March, 2014	3	8,000	$8,000 \times 3$ =	24,000
31 st March, 2014 to 31 st March, 2014	0	7,000	$7,000 \times 0$ =	0
Sum of Product				3,06,000

$$\begin{aligned}
 \text{Interest on Drawings} &= \text{Product} \times \frac{\text{Rate}}{100} \times \frac{1}{12} \\
 &= 3,06,000 \times \frac{9}{100} \times \frac{1}{12} \\
 &= 2,295
 \end{aligned}$$

Note: Interest on drawing is calculated by product method as drawings are made at different intervals and the amount of withdrawal is not uniform.

***** END *****