Q21. Bharam is a partner in a firm. He withdraws Rs.3,000 at the starting of each month for 12 months. The books of the firm closes on March 31 every year. Calculate interest on drawings if the rate of interest is 10% p.a.

Sol:

Total Drawing of Bharam = 3,000 × 12 = 36,000

Interest on Drawing = Total Drawing $\times \dfrac{\text{Rate}}{100} \times \dfrac{6.5}{12}$

= $36,000 \times \dfrac{10}{100} \times \dfrac{6.5}{12}$

= 1,950

Drawing is made in the beginning of each month.
Therefore, Period taken is 6.5 month.

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