Q22. Raj and Neeraj are partners in a firm. Their capitals as on April 01, 2015 were Rs.2,50,000 and Rs.1,50,000, respectively. They share profits equally. On July 01, 2015, they decided that their capitals should be Rs.1,00,000 each. The necessary adjustment in the capitals were made by introducing or withdrawing cash by the partners'. Interest on capital is allowed @ 8% p.a. Compute interest on capital for both the partners for the year ending on March 31, 2016.
Solution:

Raj			
Period	Months	Capital × Period=	Product
1st April, 2015 to 30th June, 2015	3	2,50,000 × 3 =	7,50,000
1st July, 2015 to 31st March, 2016	9	1,00,000 × 9 =	9,00,000
		Sum of Product	16,50,000

Intrest = Sum of the Product x Rate/100 x 1/12
=16,50,000 x 8/100 x 1/12
= 11,000

Neeraj			
Period	Months	Capital × Period	Product
1st April, 2015 to 30th June, 2015	3	1,50,000 × 3 =	4,50,000
1st July, 2015 to 31st March, 2016	9	1,00,000 × 9 =	9,00,000
		Sum of Product	13,50,000

Intrest = Sum of the Product x Rate/100 x 1/12
=13,50,000 x 8/100 x 1/12
= 9,000

Q23. Amit and Bhola are partners in a firm. They share profits in the ratio of 3:2. As per their partnership agreement, interest on drawings is to be charged @ 10% p.a. Their drawings during 2013 were Rs.24,000 and Rs.16,000, respectively. Calculate interest on drawings based on the assumption that the amounts were withdrawn evenly, throughout the year.
Solution:

$$\text{Interest on Drawings} = \text{Drawings} \times \frac{\text{Rate}}{100} \times \frac{6}{12}$$

$$\text{Amit} = 24,000 \times \frac{10}{100} \times \frac{6}{12} = 1,200$$

$$\text{Bhola} = 16,000 \times \frac{10}{100} \times \frac{6}{12} = 800$$

Drawings are made evenly throughout the year.
Therefore, period taken is 6 month.

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