



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 @ $7\frac{1}{2}\%$ 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 \times Period	Product
1 st Feb, 15 to 31 st Dec, 15	11	$4,000 \times 11 =$	44,000
1 st May, 15 to 31 st Dec, 15	8	$10,000 \times 8 =$	80,000
30 th June, 15 to 31 st Dec, 15	6	$4,000 \times 6 =$	24,000
31 st Oct, 15 to 31 st Dec, 15	2	$12,000 \times 2 =$	24,000
31 st Dec, 15 to 31 st Dec, 15		$4,000 \times 0 =$	0
	Sum of Product		1,72,000

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

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