

7.8.21

Specialised

B. Com Part II

Chapter Banking Companies
(customers account)

Exercise - 19 dr. S.K. Singh
Numerical.

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Question.

While closing the books of a Bank on 31 Dec 2015, you find in the loan ledger on unsecured balance of Rs. 240,000 against a customer whose financial condition is reported to be doubtful. Interest on the account amounted to 24000 in the year. How would you deal with

The Item of Interest in 2015 Accounts?
In the following year the Bank Accepts 80 Paisa in the Receipts on account of the total debts upto 31 Dec 2015.

Prepare necessary Accounts in the book of Bank to show the ultimate effect of the transaction in 2016

Loan Ledger in the books of Bank.

Customers Account

| Particulars | Amount | Date | Particulars | Amount |
|----------------------|--------|----------------------------------|----------------|----------------------|
| to Balance b/d | 240000 | 31 Dec 2015 | By Balance b/d | 240000 |
| " Interest suspenses | 24000 | | | |
| | 264000 | | | 264000 |
| to Balance b/d | 264000 | 31 Dec 2016 to 1 Jan 16 | By Cash | 211200 |
| | / | | | " Interest suspenses |
| | 264000 | | " Bad Debts | 48000 |
| | 264000 | | | 264000 |

Interest suspenses A/c

| Particulars | Amount | Date | Particulars | Amount |
|----------------|--------|----------------|------------------|--------|
| to Balance b/d | 24000 | 31 Dec 2015 | By Customers a/c | 24000 |
| | / | | | |
| | 24000 | | | 24000 |
| to Customers | 4800 | 1 Jan 2016 | By Balance b/d | 24000 |
| " Interest | 19200 | | | |
| | 24000 | | | / |
| | 24000 | | | 24000 |