

28.7.20

# Specialised Accounts B. Com Part II

Chapter Banking Company

Exercise. (2) Numerical.  
S.K. Singh.

By

Dr. S.N. Pathak  
Dept of Commerce R.N.C.  
Hajipur

## Question.

The following is an extract from the Trial Balance of A @ Indian Bank as at 31 March 2016.

Bills Discounted	51,50,000
Rebate on Bills Discounted	
Discount Received on 31.3.2015	30,500
	1,45,500

An Analysis of the Bills Discounted as shown above shows the following

Date of Bill	Amount	Term	Discounted @ % P.A.
12 Jan.	750,000	4	12
16 Feb	600,000	3	10
7 March.	400,000	4	11
15 March.	200,000	2	10

Received to find out the Amount of Discount  
and Pass appropriate Journal entries for same  
How this relevant item appear in Balance Sheet.

Ans.

# Calculation of unexpired discount

Serial No.	Due date	No. of days of falling due	Amount	Rate of discount	Unexpired Discount
1	15.5.2016	45	750000	12%	$\frac{750000 \times 45 \times 12}{365 \times 100} = 11090$
2	19.5.16	49	600000	10%	$\frac{600000 \times 49 \times 10}{365 \times 100} = 8055$
<del>3</del>	<del>22.5.16</del>	<del>101</del>	<del>400000</del>	<del>11%</del>	
3	10.7.16	101	400000	11%	$\frac{400000 \times 101 \times 11}{100 \times 365} = 12175$
4	18.5.16	48	200000	10%	$\frac{200000 \times 48 \times 10}{100 \times 365} = 2630$
					<u>33956</u>

Calculations have been made nearest Rupees.

Date	Particulars	L.F	Dr Amount	Cr Amount
1.4.15 to 31.3.16	Bills Discounted and purchase made To Discount on Bills Discounted (Being discount on Bills discounted during the year).		145500	145500
01.3.16	Rebate on Bills Discounted To Discount on Bills Discounted (Being transfer of opening balance of Rebate on Bills discounted to Discount on Bills Discounted)		30501	30501

31.3.16 Discount on Bills Discounted  $\text{Dr}$  33956  
 To Rebate on Bills Discounted 33956  
 (Being transfer of closing balance of unexpired discount to rebate on bills discounted)

31.3.16 Discount on Bills Discounted  $\text{Dr}$  142045  
 To PSL  $\text{Cr}$  142045  
 (Being balance of discount transfer to PSL - Me)

Discount on Bills Discounted  $\text{Cr}$

Date	Particulars	Amount	Date	Particulars	Amount
31.3.16	To Rebate on Bills Discounted	33956	1.4.15	By Rebate on Bills Disc	30501
31.3.16	To PSL $\text{Cr}$ (Balancing figure)	142045	1.4.15 to 31.3.16	By Bills Discounts & Purchases	145500
		<u>176001</u>			<u>176001</u>



Net Amount of Discount to be taken to schedule - 13 = 145500  
 + Discount on Bills Discounted 30500  
 (Rebate 1.4.2015) 176000  
 (-) Rebate on Bills Discounted 31.3.2016. 33950  
 Net Amount of Discount 142045

Balance Sheet of Andhra Bank  
as at - 31 March 2016

	Schedule No.	as on 31.3.16
Capital & Liabilities		
other Liabilities & Provisions	5	33950
<u>Assets</u>		
Advance	9	5150000