

10.8.20

Financial Accounts

~~B. Co~~

Specialised Accounts

B. Co Part II

Chapter Banking Company

Numerical - Customers etc.

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Exercise - (2)

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Question.

While closing the books of a Bank on 31 March 2018; you find in the Loan ledger are unsecured balance of Rs 100,000 in the Account of Mr. Bad. Interest on the same Account amounted to Rs 900 during the year. How would you deal with this information of interest for the year ending 31 March 2019. Accept 75 Paise

in the books on account of the total debts. Prepare the necessary Accounts showing the ultimate effect of the transaction in the books of Accounts for the ending 31 March 2019.

Ans.

Loan Ledger in the books of Bank.

Customers		ACCOUNT	
2018	By Bal b/d	100000	31 March 2018 By Balance c/d
"	Interest suspense	9000	
		<u>109000</u>	109000
1 April 2019	To Balance b/d	109000	By Cash
			81750
			2250
			25000
		<u>109000</u>	<u>109000</u>
Interest suspense a/c			
31 March 2018	By Bal b/d	9000	31 March 2018 By Customers
			9000
1 April 2019	To Customers	2250	
"	Interest	6750	1 April 2019 By Bal b/d
		<u>9000</u>	9000
			<u>9000</u>