Instalment system :-

16/04/09
Friday

(1)

Instalment 200×3 = 600
(+) D/P = 200
800
(−) C.P = 745
x 55
Total interest =

I.
5% Int on C.P = 545×5 / 100 (20) = 27.25 interest
172.75 principal
200.00 payment

Bal = 545 − 172.75 = 372.25

II. 5% Int on = 372.25×5 / 100 (20) = 18.61 interest
181.39 principal
200.00 payment

Bal = 372.25 − 181.39 = 190.86

III. 5% Int on 190.86×5 / 100 (20) = 9.14 interest
190.86 principal
200.00 payment

10% Dep on diminishing balance methods:-

10% Dep on C.P = 545.00
(−) 54.5
(−) 10% Dep on WDV = 490.5
(−) 49.5
(−) 10% Dep on WDV = 441.0
WDV = (−) 44.1
(−) 10% Dep on WDV = 396.9

P&L A/C Dr 53.24
To, Int A/C 9.14
To, Dep A/C 44.1
(Being:- Int & Dep trans to P&L)

In the books of H. Verdare A/C

H.Purchaser A/C Dr 745
To, H.Sales A/C 745
(Being:- Sales of H.P agreement)

Bank A/C Dr 200.00
To, H.Purchaser A/C 200.00
(Being:- D/P received)

H.Purchaser A/C Dr 27.25
To, Int A/C 27.25
(Being:- Int due on instal)

Bank A/C Dr 200.00
To, H.Purchaser A/C 200.00
(Being:- Payment of instal)

H.Sales A/C Dr 745
To, Trading A/C 745
(Being:- H.S trans. to Trading)

Interest A/C Dr 27.25
To, P&L A/C 27.25
(Being:- Int trans to P&L A/C)

II:

Purchaser A/C Dr 18.61
To, Int A/C 18.61
(Being:- Int due on instal)

Bank A/C Dr 200.00
To, Purchaser A/C 200.00
(Being:- Payment of instal)

Interest A/C Dr 18.61
To, P&L A/C 18.61
(Being:- Int trans to P&L A/C)

III:

Purchaser A/C Dr 9.14
To, Int A/C 9.14
(Being:- Int due on instal)

Bank A/C Dr 200.00
To, Purchaser A/C 200.00
(Being:- Payment of instal)

Interest A/C Dr 9.14
To, P&L A/C 9.14
(Being:- Int trans to P&L)

III

Int A/c	Dr	91.87	
To, Vendor A/c			91.87
(Being :- Int due on instal)			
Vendor A/c	Dr	1600.00	
To, Bank A/c			1600.00
(Being :- Payment of instal)			
P&L A/c	Dr	91.87	
To, Int A/c			91.87
(Being :- Int trans to P&L A/c)			

IV

Int A/c	Dr	45.90	
To, P&L A/c			45.90
(Being :- Int trans to P&L A/c)			
Vendor A/c	Dr	1600.00	
To, Bank A/c			1600.00
(Being :- Payment of instal)			
P&L A/c	Dr	45.90	
To, Int A/c			45.90
(Being :- Int trans to P&L A/c)			

In the books of H. Vendor A/c

~~H~~ purchaser A/c	Dr	5948	
To, Sales A/c			5948
(Being :- H/sales of H/P agreement)			

~~Hire~~ purchaser A/C Dr 178.44
To, Interest A/C 178.44
(Being:- Int due on instalment)

Bank A/C Dr 1600.00
To, Purchaser A/C 1600.00
(Being:- Payment of instalment)

Sales A/C Dr 5948.
To, Trading A/C 5948
(Being:- H.S trans.. to trading A/c).

Interest A/C Dr 178.44.
To, P&L A/C 178.44
(Being:- Interest trans.. to P&L A/c).

II.

~~Hire~~ purchaser A/C. Dr 178.44
To, Int A/C 178.44
(Being:- Int due on instal).

Bank A/C Dr 1600.00
To, Purchaser A/C 1600.00
Being:- Payment of instal)

Interest A/C Dr 178.44
To, P&L A/C 178.44
(Being:- Int Trans to P&L)

III.

~~[illegible]~~ purchaser A/C Dr 91.87
To, Interest A/C 91.87
(Being:- Int due on instal)

Bank A/C Dr 1600.00
To, Purchaser A/C 1600.00
(Being:- Payment of instal)

Interest A/C Dr 91.87
To, P&L A/C 91.87
(Being:- Int trans to P&L A/C)

IV.

H. Purchaser A/C Dr 45.90.
To, Interest A/C 45.90
(Being:- Int due on instal)

Bank A/C Dr 1600.00
To, H. Purchaser A/c 1600.00
(Being:- Payment of instal)

Interest A/C Dr 45.90
To, P&L A/C 45.90
(Being:- Int trans: to P&L)