

AVERAGE DUE DATE

A-DD ①

A.D.D → equated date @ which int is calculated & payment is made so that there is no profit no loss to any party.

Uses:- (1) settlement of B & L. (2) loan settlement (3) Bills of exchange (4) Interest on partners drawings.

ADD calculation

(i) Due date of each transaction:

- B.O.E & promissory note: 3 grace days.
- D.D → public holiday → preceeding working day.

[Sunday, 26th Jan, 15th Aug etc]

[Others - assume]

- D.D → emergency public holiday → next working day.

- leap year :- 366 in year $[\div 4]$

(ii) Select base date or zero date:

- usually take earliest due date [simple calⁿ]

(iii) Calculate no. of days from BD to DD.

Date	① Amt	D.D.	② No. of days [BD-DD]	1x2 Product
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(iv) Calculate product

$$\text{Product} = \text{amt} \times \text{no. of days from BD.}$$

(v) A.D.D

$$\text{A.D.D} = \text{Base date} + \left[\frac{\text{Total Product}}{\text{Total Amt}} \right] \text{ days.}$$

equated period.

$$\text{E.P} = \frac{\text{T. Product}}{\text{T. amt.}}$$

$$\therefore \text{A.D.D} = \text{Base date} + \text{equated period.}$$

Bill

D.D (start)

after date	Draw date
after sight	accept date.
nothing mentioned.	assume after date.

A.D.D → X median avg but an equated date.

• if B/R & B/P both then
combine B/R - XX
B/P - (XX)

• only date is given = due date

• bill = BOE

A.D.D $\Rightarrow$ LOANS

$$A.D.D = \text{loan date} + EP$$

$$\text{Loan date} = \text{Base date}$$

$$EP = \frac{\text{sum of no of yrs/months/days}}{\text{no. of installments}}$$

$$\text{int} = EP \times ROI \times \text{loan amt.}$$

ACCOUNT CURRENT

- statement giving details of various trans. between 2 parties.

creditor $\rightarrow$ debtor.

lending party $\rightarrow$ receiver.

(a) interest method

Receiver A/c current with lending party for the period — at — % p.a.

Date Bal Amt. D.D. No. of day (int) ^{or} same as ac.

first balance int amt then total amt. (bal)
(int amt will go in Amt col)

red ink int :- any transac after date of A/c current.

- The int effect is reversed from date of A/c current till the due date.
- usually written in red ink.

* opn bal = 0 days.

* record cash entries also.

DD	int	no. of days
29/10	111	30/10 - "
		1+30+31+1

ADD-2

(b) Product method

$$\text{int} \times \text{convenient red ink int} \\ \text{product} = \text{Amt} \times \text{no. of days}$$

$$\text{int} = \text{bal of product} \times ROI \times \frac{1}{365}$$

int : recorded on opposite side of bal of product in debit column.

(c) Balance method

banks.

use product method - int.

bal. Bal no. of day dep. with u. Re u. Re
bal p. Pro P
duct

the next
bal. date

pass book

D W C D C D.

$$\text{int} = \text{product} \times ROI \times \frac{1}{365}$$

XX | XY
up to 1000