

Aging of Customers' Amounts			
1	Baber:		
*	Rs.2,000 (Sep 15):		
	$15+31+30+31=107-30=77$	61-90 Days Past Due	
*	Rs.500 (Oct 16):		
	$15+30+31=76-30=46$	31-60 Days Past Due	
2	Aslam:		
*	Rs.3,000 (Oct 15):		
	$16+30+31=77-30=47$	31-60 Days Past Due	
3	Sajjad:		
*	Rs.13,000 (Dec 1):		
	$30-30=0$	Not yet Due	
4	Muddasir		
*	Rs.7,500 (Sep 16):		
	$14+31+30+31=106-30=76$	61-90 Days Past Due	
*	Rs.4000 (Nov 20):		
	$10+31=41-30=11$	1-30 Days Past Due	
5	Khurshid		
*	Rs.7,500 (Aug 16):		
	$15+30+31+30+31=137-30=107$	Above 90 Days Past Due	
*	Rs.2,000 (Nov 15):		
	$15+31=46-30=16$	1-30 Days Past Due	
6	Kamal		
*	Rs.1,000 (Jan 28):		
	$365-28=337-30=307$	Above 90 Days Past Due	
*	Rs2,000 (Sep 10):		
	$20+31+30+31=112-30=82$	61- 90 Days Past Due	

Schedule Showing Analysis of Customers' Accounts by Age Group

Name of Customer	Total Amount	Categories				
		Not Due	1-30 Days Past Due	31-60 Days Past Due	61-90 Days Past Due	Above 90 Days Past Due
Baber	2,500			500	2,000	
Aslam	3,000			3,000		
Sajjad	13,000	13,000				
Mudassir	11,500		4,000		7,500	
Khurshid	9,500		2,000			7,500
Kamal	3,000				2,000	1,000
Total	42,500	13,000	6,000	3,500	11,500	8,500

Schedule Showing Computation for Estimated Bad Debts

Category	Total Amount	% Applied	Estimated Allowance for Bad Debts
Not Due	13,000	10	1,300
1-30 Days Past Due	6,000	15	900
31-60 Days Past Due	3,500	20	700
61-90 Days Past Due	11,500	30	3,450
Above 90 Days Past Due	8,500	50	4,250
	42,500		
Estimated Allowance for Bad Debts			10,600

Case no 1:**Computation for Estimated Bad Debts**

Estimated allowance for bad debts			10,600
Add: Debit balance in allowance for bad debts before adjustment			<u>750</u>
Bad Debts Expense			<u>11,350</u>

Case no 2:**Computation for Estimated Bad Debts**

Estimated allowance for bad debts			10,600
Less: Credit balance in allowance for bad debts before adjustment			<u>(750)</u>
Bad Debts Expense			<u>9,850</u>

Case no 3:**Computation for Estimated Bad Debts**

Estimated allowance for bad debts			10,600
Less: Credit balance in allowance for bad debts before adjustment			<u>(7,500)</u>
Bad Debts Expense			<u>3,100</u>

Zaheer & Co					
General Journal					
Date		Account Titles and Explanation	Post Ref.	Debit	Credit
		(Adjustment)			
2006		(Case no 1)			
Dec	31	Bad Debts Expense		11350	
		Allowance for Bad Debts			11350
		(To record estimated bad debts)			
		(Case no 2)			
	31	Bad Debts Expense		9850	
		Allowance for Bad Debts			9850
		(To record estimated bad debts)			
		(Case no 3)			
	31	Bad Debts Expense		3100	
		Allowance for Bad Debts			3100
		(To record estimated bad debts)			