

Aging of Customers' Amounts			
Computation for Estimated Bad Debts			
1 Aslam	Estimated allowance for bad debts	Above 90 days past due	898
2 Altar	Add: Debit balance of allowance for bad debts before adjustment		250
	Rs.800 (Mar 30)		
	1 + 30 + 31 + 30 + 31 + 31 + 30 + 31 + 30 + 31 = 276 - 30 = 246	Above 90 days past due	1,148
	Rs.800 (Nov 16)		
	14 + 31 = 45 - 30 = 15	1-30 days past due	
3 Khalid			
	Rs.1,600 (Dec 24)		
	7 - 30 = -23	Not Due	
4 Saleem			
	Rs.900 (Oct 4)		
	27 + 30 + 31 = 88 - 30 = 58	31- 60 days past due	
5 Karim			
	Rs.400 (Sep 28)		
	2 + 31 + 30 + 31 = 94 - 30 = 64	61- 90 days past due	
	Rs.800 (Nov 16)		
	14 + 31 = 45 - 30 = 15	1-30 days past due	
	Rs.2000 (Dec 4)		
	27 - 30 = -3	Not yet 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
Aslam	1,100					1,100
Altar	1,100		800			300
Khalid	1,600	1,600				
Saleem	900			900		
Karim	3,200	2,000	800		400	
Total	7,900	3,600	1,600	900	400	1,400

Schedule Showing Computation for Estimated Bad Debts

Category	Total Amount	% Applied	Estimated Allowance for Bad Debts
Not yet due	3,600	3	108
1-30 days past due	1,600	5	80
31-60 days past due	900	10	90
61-90 days past due	400	15	60
Above 90 days past due	1,400	40	560
	7,900		-
Estimated Allowance for Bad Debts			898

Asif & Co
General Journal

Date		Account Titles and Explanation	Post Ref.	Debit	Credit
		(Adjustment)			
1994					
Dec	31				
		Bad Debts Expense		1 148	
		Allowance for Bad Debts			1 148
		(To record estimated bad debts)			

Asif & Co
Balance Sheet-Partial
As on Dec 31, 2006

Assets		Equities			
Current Asset					
Accounts Receivable	7,900				
Less: Allowance for bad debts	(898)				
Net Realizable Value	7,002				