

Solution-38

Interest on Drawings = Total Drawings x Rate x $\frac{\text{Average Period}}{2}$

$$\begin{aligned} \text{Interest on Dev's Drawings} &= 1,20,000 \times 12\% \times \frac{(11.5 + 0.5)}{2} \times \frac{1}{12} \\ &= 7,200 \end{aligned}$$

