

Interest on Drawings @ 6%

Total Drawings X Interest Rate X Average Period/12

Average Periods = (Months left after first drawings + Months left after last drawing)/2

Interest on A's Drawings

Months left after first drawings = 12

Months left after last drawing = 6

Average period = (12+6)/2=9

Interest on Drawings = $(10,000 \times 6 \times 6\% \times 9) / 12 = 2,850$

Interest on B's Drawings

Months left after first drawings = 11.5

Months left after last drawing = 6.5

Average period = (11.5+6.5)/2=9

Interest on Drawings = $(10,000 \times 6 \times 6\% \times 9) / 12 = 2,700$

Interest on C's Drawings

Months left after first drawings = 11

Months left after last drawing = 6

Average period = (11+6)/2=8.5

Interest on Drawings = $(10,000 \times 6 \times 6\% \times 8.5) / 12 = 2,550$

