

Spl features

Checking of posting
reversing
very of Assets & Liab
final balancing of B/S

General purpose of audit applicable.

Examination of overdue debts

Period of 6 months to five yrs + more
than 5 years.

Overdue debts :

affects working capital position.
Adm. has to ascertain.

The same

of O.Debts to working capital +
loans advanced compared with last yr.
to see the trend.

Overdue Interest:

Shd be excluded from int. @/accg
& accrued due while calculating profit

It is interest accrued or accruing on
A/c, the amount of which the
principal is overdue.

In practice an or interest reserve is
created & adjusted for overdue interest