The first loan was a one-year loan for $100,000, created on November 1 of the current year. It bears interest at 8%, with interest based on the “rule of 78s.”

Calculations:

\[ \$100,000 \times 8\% \times \frac{2}{12} = \$1,333.33 \]

The second loan is due on demand and was for $250,000. The loan was originated on November 1 of the current year, and it bears interest at 9%, using a 360-day year assumption.

Calculations:

\[ \$250,000 \times 9\% \times \frac{2}{12} = \$3,750.00 \]

The financial statement implications of the above corrections are: