Make necessary corrections below in red:

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 X 8% X 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 X 9% X 2/12 = $3,750.00

The financial statement implications of the above corrections are: