



ACCOUNTS

BOOKS - SULTAN CHAND & SONS

ACCOUNTS (HINGLISH)

**ACCOUNTING FOR BILLS OF
EXCHANGE**

Illustration

1. A bill of Exchange, dated , 12th july, 2018 payable 3 months after date.



Watch Video Solution

2. A promissory Note, dated 31st March , 2018 payable 90 days after date.



View Text Solution

3. A Bill of Exchange, dated 5th August, 2018 payable 60 days after sight, acceptance, on 10th August 2018.



[View Text Solution](#)

4. A Bill of Exchange, dated 30th June, payable, 3 months after date.



[View Text Solution](#)

5. A promissory Note, dated 27th November, 2018 payable, 60 days after date without grace.



[View Text Solution](#)

6. On 1st April 2019 , Ram sold goods to Mohan for ₹ 50,000 . On the same date, Mohan accepted a bill drawn upon him by Ram at 3 months for ₹ 50,000. on the due date, the bill was met. Give the journal entries in the books of both the parties (Ignore GST).





[Watch Video Solution](#)

7. Prakash received from Mohan an acceptance for ₹ 30,000 on 1st July, 2019 at 3 months. Prakash got this acceptance discounted @ 12% p.a. at his bank. On the due date, Mohan paid the required amount. Give the journal entries in the books of Prakash and Mohan (Ignore GST).



[Watch Video Solution](#)

8. Dev owes ₹ 10,000 to Krishan. On 1st May, 2019 he sent his promissory Note for the amount payable, after 3 months. On 1st June, 2019, Krishan endorses the promissory Note in favour of Wahid to whom he owed the like amount. On the due date, Dev paid the amount. pass the journal entries in the books of Krishan, Dev and Wahid.



Watch Video Solution

9. A two months Bill for ₹ 60,000 is drawn by B & Co. and accepted by C & Co. payable at the Bank of India. B & Co. gives the bill to their banker for collection. On due date, bill is honoured. Show what entries will be passed in the books of B & Co.



Watch Video Solution

10. A bill for ₹ 4,500 is drawn by Mohan on Ram Nath and accepted by the latter. Show

the journal entries that would be recorded in the books of both the parties under each of the following circumstances :

(i) Bill is retained till the due date.

(ii) Bill is discounted with his bank, Bank of Baroda, for ₹ 4,380.(Ignore GST)

(iii) Bill is endorsed to creditor Mehtab in settlement of his debt of ₹ 4,520.

(iv) if Mohan sent the bill to his bank for collection.



Watch Video Solution

11. Ashok draws on Brij three Bills of Exchange for ₹ 5,000, ₹ 4,000 and ₹ 3,000 respectively for goods sold to him on 1st February, 2019. these bills was endorsed to hus creditor Chand.the second bill was discounted @ 12% p.a. with bank on 4th February , 2019 and the thrid bill was sent to bank for collection on 30th April. on the due dates , all the bills were met by Brij. the bank sent the collection advice for the third after deducting ₹ 25 as collection charges.

Pass the journal entries in the books in the bools of Ashol and Brij. (Ignore GST)



[Watch Video Solution](#)

12. Amar sold goods for ₹ 50,000 to Bhaskar on 1st January, 2019 and on the same day he drew a bill on Bhaskar at three at three months for the amount . The bill is duly accepted but is dishonoured on the due date.

Amar pays ₹ 1,000 as noting charges.

Record these transactions in the journals of Amar and Bhaskar. (Ignore GST)



[Watch Video Solution](#)

13. Mohan owes Shynam ₹ 6,000. Mohan accepts a three months bill for ₹ 5,900 being in full settlement of the claim on 1st January 2019. On its due the bill is dishonoured settlement of the claim on 1st 2019. On its due date the bill is dishonoured Noting charges are paid by Shyam ₹150. give the journal entries in the books of Mohan.



Watch Video Solution

14. On 1st January, 2019, Amrit sold goods to Bhanu for ₹ 50,000 and on the same day drew upon him a bill at 3 months for the amount. Bhanu accepted the bill and returned it to Amrit. On 4th January, 2019 Amrit discounted the bill with his bank at ₹ 49,000. On the due date, the bill was dishonoured and bank paid ₹ 1,000 as noting charges.

Pass the necessary journal entries in the books of Amrit and Bhanu.



Watch Video Solution

15. Rakesh draws a bill on Bhavesh for ₹ 20,000 on 4th september, 2018 payable after 4 months. Rakesh discounts the bill with the bank @ 12% p.a on 7 th October. The bill is dishonoured on the due date. Pass the necessary Journal entries in the books of Rakesh and Bhavesh if the bank ₹ 300 as noting charges (Ignore GST)



Watch Video Solution

16. On 1st January, 2019, A drew a bill on B for ₹ 5, 000 payable after 3 months. B accepted the bill and returned it to A. after 10days A endorsed the bill to his creditor C. On the due date the bill was dishonoured and C paid ₹100 as noting charges.

Record the transactions in the Journals of A, B and C.



Watch Video Solution

17. Journalise the following transactions in the books of Kamal:

Ganesh informs kamal that sahani's Promissory Note for ₹ 75,000 is dishonoured and noting charges ₹ 250 have been paid. Kamal pays Ganesh by cheque and withdraws the promissory note.



Watch Video Solution

18. On 1st October, 2018, X sells goods to Y for ₹ 25,000 plus IGST @ 18 % and draws two bills of exchange on him: the first for ₹ 15,000 for 2 months and second for the balance for 3 months. Y accepts and returns these bills to X. Both the bills are sent to the bank for collection. In due course, X receives the information from the bank that the bill for ₹ 15,000 had been duly met and the other bill has been dishonoured. Noting charges paid on the dishonour of the second bill are ₹ 500.

pass Journal entries in the books of X.



Watch Video Solution

19. On 1st January, 2019 , Rolly owed ₹ 50,000 to Polly. On 1st February, he accepted a draft for 3 months drawn on him by Polly for the amount. On the due date, the bill was dishonoured the noting charges being ₹ 500. pass the journal entries in the books of polly in each of the following cases :

(i) Bill is held till maturity by polly.

(ii) Polly endorses the bill in favour of Golly immediately and

(iii) Bill is discounted with the bank at 12% p.a. immediately.



[Watch Video Solution](#)

20. Anupam draws a bill on Bhanu for ₹ 20,000 on 10th January m 2019 for three months. Bhanu accepts the bill on 11th janunry, 2019 and returns the same to Anupam anupam endorsed the bill to Chaman endorsed it to Dewan on the same date . Dewan discounted

the bill with hus bank @ 12% p.a. on 14th February. on the due date , the bill is dishonoured and noting charges paid by bank were ₹ 600. pass the necessary journal entries in the books of all the parties (except bank) assuming that the bill is taken up and paid by Anupam to Dewan's bank on dishonour.



[Watch Video Solution](#)

21. A sells goods to B for ₹ 10,000 plus CGST and SGST @ 9% eacyh. B pay ₹ 1,800 in cash

and accepts a bill for the balance amount for 3 months. Before the due date, B requests A to cancel the bill and to accept ₹ 3,000 as part payment and to draw a fresh bill on him for ₹ 7,200 for a further period of 2 months-- ₹ 200 being the interest for the extended period. A agrees to the proposal. The new bill is duly honoured. The extended period. A agrees to the proposal. The new bill is duly honoured. Pass necessary journal entries and other party's account in the books of both the parties.



Watch Video Solution

22. A drew upon B a bill for ₹ 60,000 at 2 months and B returned the bill duly accepted on 1st January, 2019. A discounted the bill with bank @ 15% p.a. Before the bill was due for payment, B informed A that he was not able to pay the full amount and requested A to accept ₹ 20,000 immediately and draw upon him another bill for the balance amount for 2 months along with interest @ 18% p.a. A agreed. the second bill was duly met. give the journal entries in the books of both A and B.



Watch Video Solution

23. On 15th January, 2006 Sachin sold goods for ₹ 30,000 to Narain and drew upon later a bill for the same amount payable after 3 months. The bill was accepted by Narain. The bill was discounted by sachin from his bank for ₹29,250 on 31th January, 2006, on maturity the bill was dishonourd . he further agreed to pay ₹ 10,500 in cash including ₹ 500 interset and accept a new bill for two months for the remaining ₹ 20,000. the new bill was endorsed by sachin in favour of his creditor Kapil for

debt of ₹ 20, 000. the new bill was duly met by Narain on maturity. give journal entries.



[Watch Video Solution](#)

24. Journalise the following transactions in the books of Gulshan:

Dutt's promissory note for ₹ 70,000 which Gulshan had endorsed in favour of mayur dishonourd. Mayur paid ₹ 1,000a noting charges. Gulshan pays Mayur by cheque and

accepts from Dutt another bill for the amount due plus interest, ₹ 1,500.



[Watch Video Solution](#)

25. On 1st January 2019, A sold to B for ₹ 10,000 and drew upon him a bill at 3 months for the amount. B accepted the bill and returned it to A. on 4th March, 2019, B retired the bill under rebate of 6 % p.a.

Record these transactions in the Journal of A and B.



Watch Video Solution

Questions And Answer

1. Promissory note requires the acceptance.

Comment.

A. A promissory note does not require acceptance because it is a valuable instrument. A Bill Receivable requires acceptance.

B.

C.

D.

Answer:



View Text Solution

2. A bill given to creditor is called Bill payable.

Why ?

A. A bill given to a creditor is called Bill payable because the debtor commits to pay by giving a bill to the creditor.

B.

C.

D.

Answer:



View Text Solution

3. A has drawn a bill on B.B accept the same.

Can B endorse the bill to C ?

A. B cannot endorse the bill to C because

he is a Drawee. Only A the Drawer, can do

so.

B.

C.

D.

Answer:





4. Is cancellation entry required when a bill is renewed ?

A. When the bill is renewed, entries are passed for cancellation of the old bill and then for recording the new bill.

B.

C.

D.

Answer:



View Text Solution

5. Cancelling an old bill and drawing a new bill is called Renewal of a bill. Is this true or false ?



View Text Solution

6. At the time of renewal of a bill. The interest Account is debited in the books of the Drawer. Is this true or false ?



[View Text Solution](#)

7. Refusal by the acceptor to pay the bill pay the bill on the maturity datye is called Retirements of the Bill. Comment.



[View Text Solution](#)

8. Find the due datye of a Bill of Excahange dated 9th December, 2018 payable after 45 days.



[View Text Solution](#)

Mcq

1. The party which is ordered to pay the amount is known as...

A. drawer

B. payee

C. drawee

D. none of these.

Answer: b



View Text Solution

2. Three days are added for ascertaining the date of maturity, these are known as days of...

A. maturity

B. grace

C. payment

D. none of these.

Answer: c



View Text Solution

3. A Bill of Exchange cannot be....

A. endorsed

B. crossed

C. accepted

D. none of these.

Answer: b



[View Text Solution](#)

4. A Bill of Exchange is renewed generally at the request of the ...

A. drawer

B. bank

C. drawee

D. none of these.

Answer: b



 [View Text Solution](#)

5. A promissory Note is made by the ...

A. seller

B. purchaser

C. endorse

D. none of these.

Answer: c



[View Text Solution](#)

6. If Ram's acceptance which was endorsed by us in favour of Saleem is dishonoured , then the amount will be debited in our books to

A. saleem

B. Ram

C. Bills Receivable Account.

D. none of these.

Answer: b



View Text Solution

7. A 4 months bill drawn on 1st January , 2019 will mature for payment on

A. 3rd may, 2019

B. 4th may 2019

C. 5th May 2019

D. 10th May , 2019

Answer: b



View Text Solution

8. The Bills Receivable Book is part of

A. the Journal

B. the Ledger

C. the profit

D. Balance sheet.

Answer: b



View Text Solution

9. The Rebate on a Bill shows that

A. it has been paid before the date of maturity

B. it has been paid after the date of maturity

C. it has been dishonoured

D. none of these.

Answer: a



View Text Solution

10. Noting Charges Account is debited by

A. drawer

B. Drawee

C. Payee

D. Endorser

Answer: a



View Text Solution

11. If due date of a bill falls on a public holiday, then the maturity date is on

A. one day after the maturity date

B. one day before the maturity date

C. Public holidays

D. none of these.

Answer: b



View Text Solution

12. In case of renewal of the bill, interest is charged for the period of

- A. Original Bill
- B. Fresh Bill
- C. one Month
- D. none of these.

Answer: b



View Text Solution

13. Rebate is calculated for the period between date of

A. Payment and Maturity Date.

B. Drawing and payment of Bill

C. Drawing and Maturing Date.

D. none of these.

Answer: a



View Text Solution

14. A bill of ₹ 10,000 is renewed. The drawee pays ₹ 3,000 as part payment. The amount of interest charged is ₹200. what is the value of new bill ?

A. ₹ 700

B. ₹ 10,200

C. ₹ 9,000

D. ₹ 7,200

Answer: d



View Text Solution

Very Short Answer Type Questions

1. Define the Bill of Exchange



[View Text Solution](#)

2. Define a Promissory Note.



[View Text Solution](#)

3. Give one special feature of promissory note.



[View Text Solution](#)

4. Distinguish between a Bill of Exchange and a Promissory Note. (Two points)



[View Text Solution](#)

5. Who are the parties to a Bill of Exchange ?



[View Text Solution](#)

6. who are the parties to a Promissory note ?



[View Text Solution](#)

7. What are Trade Bills?



[View Text Solution](#)

8. Explain the Discounting a Bill of Exchange.



[View Text Solution](#)

9. What are the different options available to the receiver of a Bill of Exchange ?



View Text Solution

10. What do you understand by Days of Grace ?
or

How many Days of Grace are added to the period of Bills of Exchange ?



View Text Solution

11. What is meant by Retiring a Bill under Rebate ?



View Text Solution

12. What is meant by Renewal of a Bill ?

A. Renewal of a Bill of Exchange means substituting the old bill with a New Bill.

B.

C.

D.

Answer:



View Text Solution

13. What is meant by Noting of Bill of Exchange gt



View Text Solution

14. How is the time of payment of a Bill of Exchange calculated ?

 [View Text Solution](#)

15. Mention three advantages of a Bill of Exchange.

 [View Text Solution](#)

16. What is meant by Dishonour of a Bill of Exchange ?



View Text Solution

17. Explain the term Date of Maturity.



View Text Solution

18. What is the meaning fo 'rebate' with reference to Bills of Exchange ?

or

What is retiring a bill under rebate ?



[View Text Solution](#)

19. What is bill at sight ?



[View Text Solution](#)

Short Answer Type Questions

1. Define Bill of Exchange. What are the features of a Bill of Exchange ?



View Text Solution

2. Define Bill of Exchange. What are the parties to a Bill of Exchange ?



View Text Solution

3. Give a definition of Bill of Exchange and its two characteristics. (MSE Chandigarh 2009)



[View Text Solution](#)

4. Define a promissory Note. What are the features of a Promissory Note ?



[View Text Solution](#)

5. Who are the parties to a Promissory Note ?



[View Text Solution](#)

Practical Problems

1. Calculate the due dates of the bills in the following cases.

Date of Bill	Tenure (Period)
(i) 1st December, 2018	60 Days
(ii) 30th April, 2019	2 Months
(iii) 28th January, 2019	1 Month
(iv) 23rd November, 2018	2 Months
(v) 29th May, 2018	4 Months

(i) 2nd February 2019, (ii) 3rd July 2019, (iii) 3rd March, 2019

(iv) 25th January, (v) 1st October, 2108



[Watch Video Solution](#)

2. On 10th March, 2019. A draws on B a bill at 3 months for ₹ 20,000 which B accepts immediately and returns to A. the bill is honoured on due date.



[Watch Video Solution](#)

3. On 1st January 2019 , A sold goods to B for ₹ 5,000 plus IGST @ 18% A received ₹ 900 by cheque was duly accepted by B.A retained the

bill for the balance amount payable 3 months after date. The bill was duly accepted by B. A retained the bill till due date. on due date, the bill was paid.

Pass Journal entries in the books of A and B
Also, Show necessary accounts in the books of both the parties.



[Watch Video Solution](#)

4. Vinod sold goods to Darbara Singh for ₹ 1,000 on 1st January 2019. He drew on the

latter a bill for the amount payable 3 months after date. He discounted the bill with his bank for ₹ 990 on 4th January, 2019. On maturity the bill is duly met. Make the journal entries in the books of Vinod and Darbara Singh.



Watch Video Solution

5. On 1st January, 2019 X sold goods of ₹ 20,000 to Y and drew a bill on Y at months of the amount. Y accepted the bill. The bill is met

on maturity. Pass the necessary Journal entries in the books of X and Y , if X dicounted the bill @ 12% p.a. from bank on 4th January



Watch Video Solution

6. Dinesh received from Shridhar an acceptance for ₹ 3,000 on 1st September, 2018 at 3 months. Dinesh got the acceptance discounted at 9% p.a. from his bank . On the due date, Shridhar paid the required amount.

Give the Journal entries in the books of Dinesh and Shridhar.



Watch Video Solution

7. A sells goods of ₹ 10,000 on 1st March, 2019 to B on credit. B accepts a bill on the same date for the amount payable three months after date. A discounts the bill at 6% p.a. from bank on 4th April. On maturity, the bill is met by B. Pass the necessary Journal entries in the books of both the parties.



[Watch Video Solution](#)

8. A drew a bill of ₹ 1,000 on B of 3 months which was duly accepted by the latter. A endorsed the bill to C in full payment of his own acceptance to C for a like amount. C endorsed the bill to B.

pass the journal entries in the books of A, B and C.



[Watch Video Solution](#)

9. A owed B ₹ 8,000 . He gave a bill for the same on 1st August , 2018 payable after 4 months at the Bank of India, Chandni Chowk. Delhi, Immediately after receiving the bill, B endorsed it to C in payment of his debt. On 1st September, C discounted the bill at 12% p.a. the bill is met on due date.



Watch Video Solution

10. A sold goods to B for ₹ 20,000 plus CGST and SGST @ 9% each on credit of 3 months. B paid A ₹ 3,600 by cheque and accepted a draft for the balance amount. The draft was endorsed in favour of C, who got the payment on maturity.

Give Journal entries in the books of A .



Watch Video Solution

11. Mohan singh draws a bill on Jagat for ₹ 1,000 payable 2 months after date. Immediately after its acceptance, Mohan Singh sends to his the bill to his bank for collection. On due date, bank gets the payment. Make the entries in the books of all the parties.



Watch Video Solution

12. X draws on Y a bill for ₹ 4,000 which was duly accepted by Y, Y meets the bill on its due

date. Show what entries would be passed in the books of X under each of the following circumstances.

(a) If X retains the bill till due date.

(b) if X discounts the same with his banker paying ₹ 100 for discount.

(c) if X endorses the same to his creditor Z in full settlement of his debt of ₹ 4,080.

(d) if X sends the bill to his banker for collection the next day.



Watch Video Solution

13. Ram draws a bill ₹ 2,000 on Shyam on 15th September , 2018 for 3 months . On maturity, shyam failed to honour the bill.

Pass the necessary Journal entries in the books of Ram and Shyam.



Watch Video Solution

14. On 20th Marchm 2019, Naresh sold goods, to Kailash to the value of ₹ 1,250. taking a bill at 3 months for the amount. On maturity the bill was dishonoured Naresh paid ₹ 10 as

noting charges. On 1st July, Kailash cleared his account by paying ₹ 1,260.



Watch Video Solution

15. On 1st March, 2019 Naresh sold goods to Y for ₹ 25,000 and immediately received from Y ₹ 10,000 by cheque and drew a bill on Y at three months for the balance amount. Bill is accepted by Y. Bill was dishonoured on the due date and Y paid ₹ 150 as noting charges. Ten days later, Y pays the due amount to X.

pass the journal entries in the books of both the parties.



[Watch Video Solution](#)

16. On 1st , 2019 A drew a bill for ₹ 5,000 on B payable after 3 months. A discounted it with the Bank for ₹ 4,850. on maturity , B failed to pay the amount of his acceptance and the bank had to pay ₹ 50 as noting charges.

Pass the necessary Journal entries in the books of A and B.



[Watch Video Solution](#)

17. On 15th June , 2019 Mohan sold goods to Sohan valued at ₹ 2,000. He drew a bill at 3 months for the amount and discounted the same with his bank for ₹ 1,960 . On the due date the bill was dishonoured and Mohan paid to the amount due plus the noting charges of ₹ 10.

Pass the necessary Journal entries in the book of all parties.



[Watch Video Solution](#)

18. On 1st March , 2019 R accepted a Bill of Exchange of ₹ 20,000 from S payable 3 months after date in full settlement of his dues. On the same day S endorese the Bill of Exchange to T together with a Cheque for ₹ 5,000 insttlement of his debt to the latter. on 2nd March , 2019. T discounted the Bill of Exchange @6% p.a. with his bank. on maturity the Bill of Exchange was dishonoured Journalise the transactions in the books of R and T.



Watch Video Solution

19. On 1st January , 2019 A drew a bill on B for ₹ 10,000 payable after 3 months . B accepted the bill and returned it to A. After 10 days. A endorsed the bill to creditor C. On the due date, the bill was dishonoured and C paid ₹ 50 as noting charges.

Record the transactions in the books of A,B and C.



Watch Video Solution

20. Y owes X ₹ 4,000 on 1st January 2019 Y accepts a 3 months bill for ₹ 3,900 in satisfaction of his full claim . On the same date it was endorsed by X to Z in satisfaction of his claim of ₹ 3,980 , the bill is dishonoured in the due date. Give the journal entries in the books of X.



[Watch Video Solution](#)

21. On 1st January , 2019 A draws a bill in B for ₹ 1,000 payable after 3 months. Immediately

after its acceptance, A sends the bill to his bank for collection. On the due date, the bill was dishonoured . Record the transactions in the Journals of A and B.



[Watch Video Solution](#)

22. A bill for ₹ 1,000 is drawn by A and B and accepted by the latter payable at the new Delhi, Bank of India . Show what entries should be passed in the books of A under each of the following circumstances.

(a) If A retained the bill the due date and then realised it on maturity .

(b) If A discounted it with his bank for ₹950.

(c) If A endorsed it to his creditor C in full settlement of his debt.

(d) if A sent it to his bank for collection.



Watch Video Solution

23. On 1st January, 2019 for goods sold, Ramesh drew a Bill of Exchange on Mahesh for ₹ 4,000 for a period of 3 months. Mahesh

accepts it and returns to Ramehs then endorses it to Mukesh who in turn endorses it to Suresh on 1st February, 2019, the bill is then discounted by suresh on the same date with his bank at @ 5% p.a. on the due date the bill is dishonoured.

Pass the necessary Journal entries in the books of all four parties.



Watch Video Solution

24. A purchases goods worth ₹ 6,200 from B and gives him his acceptance for ₹ 6,000 in full satisfaction. B purchases goods worth ₹ 10,000 from C and endorses the bill to him, paying the balance by cheque. On maturity the bill is dishonoured, noting charges amounted to ₹ 100.

Give the Journal entries in the books at A, B and C.



[Watch Video Solution](#)

25. X sells goods for ₹ 40,000 to Y on 1st January , 2019 and on the same day draws a bill on Y at three months for the amount. Y accepts it and returns it to X, who discounted it on 4th January , 2019 with his bank at 6%p.a.. The acceptance is dishonoured on the due date and the noting charges were paid by bank being ₹ 200.

On 4th April 2019, Y accepts a new bill at three months for the amount then due to X together with interest at 12% p.a.

Make Journal to record these transactions in the books of X.



Watch Video Solution

26. Ram owes ₹ 2,000 to Mohan on 1st January 2019 on this date, he accepted a draft for the amount for 3 months. Mohan got the bill discounted at his bank @ 6% p.a. on the due date, the bill was dishonoured , noting charges ₹ 20. Ram agreed to pay ₹ 520 immediately and accept another bill for the remaining amount for 3 months together with interest at 9% p.a.. this bill was met on the due

date. give the journal entries in the books of both parties.



Watch Video Solution

27. On 15th June , 2019 X sold to Y goods to the value of ₹ 15,000 drawing upon the latter two bills, one for ₹ 10,000 payable 2 months after date and other for ₹ 5,000 payable, 3 months favour after date. X discounted the first bill with his bank at 6% p.a. and endorsed the second bill in favour of his creditor Z. the first

bill was met on maturity but the second was dishonoured. Z paid ₹ 50 as noting charges. on 1st October. Y cleared his account to X by paying ₹ 5,100 which included ₹ 50 as interest. Record the necessary Journal entries in the books of both X and Y.



Watch Video Solution

28. X draws a bill on Y for ₹ 2,000 on 1st January, 2019 Y accepts the same and returns it to X. the bill was drawn by X in full

settlement of a dept owing by amounted to ₹ 2,050. X discounts the bill on the same with Central Bank of India for ₹ 1,980. on maturity the bill was duly met by Y.

Give the entries in the books of X and Y.

Suppose the bill is dishonoured , what entries will be passed ?



[Watch Video Solution](#)

29. On 1st june 2019, A sold goods at B for ₹250. B gave to A his acceptance payable 1

month after date. Before maturity B requests A to renew it, which A does adding ₹ 10 to the new bill for interest

Make the necessary Journal entries to record these transactions in the books of both A and B.



Watch Video Solution

30. A sold goods to B 1st september , 2018 for ₹ 16,000. B immediately accepted a 3 months bill. On the due date , B requested that the bill

be renewed for a further period of 2 months. A agreed provided interest at 9% p.a. was paid immediately in cash. To this B was agreeable. make the necessary journal entries to record these transactions in the books of both A and B.



[Watch Video Solution](#)

31. On 1st May, 2019 Merchant & Co sold goods to AB & Co. Valued at ₹ 500 and drew upon them a bill at 3 months for the amount. AB &

Co. expressed their inability to meet it, and offered to pay Merchant & co, ₹ 200 in cash and to accept a fresh bill for the balance plus interest at 6% p.a. for 3 months . Merchant & Co. agreed to the proposal and bill was renewed. on maturity the bill was duly met.

Make the entries in the books of both the parties to record the above transactions.



Watch Video Solution

32. A owed B ₹ 400. A accepted a Bill of Exchange at 3 months for this amount which B discounted for ₹ 380

Give the necessary Journal entries in the books of A and B of this bill is :

(a) dishonoured on the due date

(b) met at maturity and

(c) retired under rebate at 6% p.a. 2 months before its maturity.



Watch Video Solution

33. Amar sells goods to Bhola for ₹ 10,000 and draws upon him a bill for the amount payable 3 months after date. The bill is accepted by Bhola. Amar discounts the bill with his bankers at a discount of ₹ 150 inclusive of all charges. Bhola falls to meet this bill on maturity. Amar pays off his banker and his expenses amounting to ₹ 100 . Bhola gives a fresh bill, 2 months date to Amar for ₹ 10,250 which he met at maturity.

Show the necessary Journal entries in Amar's books.



Watch Video Solution

34. Give the Journal entries for the following

(a) B's acceptance to us for ₹ 1,000 due this day, renewed at his request for 3 months with interest @ 6% P.a.

(b) Our bill to Chandra for ₹ 5,000 renewed for 2 months with interest @ 6% p.a.

(c) B's acceptance of ₹ 3,000 is discharged on his paying us cash ₹ 1,000 and accepting a fresh bill for the balance with interest ₹ 100.



Watch Video Solution

35. Leena sold goods to Meena on 1st March , 2009 for ₹ 68,000 and drew two Bills of Exchange of the equal amount upon Meena payable after three months. Leena immediately discounted the first bill with her bank at 12% p.a. the bill was dishonoured by Meena and Bank paid ₹ 55 as noting charges. The second bill was retired on 4th May , 2009 under a rebate of 6% p.a. with mutual agreement. Journalise the above in the books of Leena and meena.



36. How will you record the following of transactions in the books of Kapadai ?

(a) A bill received from Dalpat for ₹ 1000 has to be renewed, Dalpat agrees to pay ₹ 20 as interest.

(b) Swamy's bill for ₹ 800 endorsed in favour of Ghosh dishonoured, Ghosh pays ₹ 10 as noting charges. Swamy pays ₹ 300 immediately and agrees to accept a new bill for 3 months for the balance together with

together with interest at 6% p.a. Ghosh's Account is settled by cheque.



[Watch Video Solution](#)

37. Y Purchased goods for ₹ 6000 on 1st June , 2011 from X and on the same date accepted a bill payable after three months. 3 days later, X endorsed the bill to Z. on maturity, the bill was dishonoured for non-payment and Z had to pay ₹ 50 as noting charges. Two days after the dishonour of bill, Y paid ₹ 2000 to X and

requested him to draw a second bill for the balance plus ₹ 90 for the amount of interest, payable after two months. X accepted the proposal and draws the bill on Y, which was accepted by Y and was duly met on maturity. pass Journal entries for the above transactions in the of X.



[Watch Video Solution](#)

38. On 1st January, 2008, A sold goods to B for ₹ 1,00,000 received ₹ 25,000 in cash and drew

two bills, first ₹ 45,000 and second for ₹ 30,000 of two months each. Both bills were duly accepted by B. first bill was endorsed to C in settlement of his account of 45,000 and second bill was discounted from the bank at the rate of 12% p.a. on the due date of these bills. both bills were dishonoured. C has paid 100 and bank has paid ₹ 100 and bank has paid ₹ 80 as noting charges. pass Journal entries in the books of A, B and C.



Watch Video Solution

39. Amar sells goods to Bhola for ₹ 10,000 plus CGST and SGST @ 9% each. He receives the GST amount in cash and draws upon Bhola .

Amar discounts the bills with his bank 3 months after date. The bill is accepted by Bhola. Amar discounts the bill on maturity. Amar pays off ₹ 150 inclusive of all charges. Bhola fails to meet this bill on maturity. Amar pays off his bank and his expenses amounting to ₹ 100 . Bhola gives a fresh bill of 2 month's date to Amar for ₹ 10,250 which he meets at maturity. show necessary Journal entries in Amar's books.



[Watch Video Solution](#)

Questions With Missing Values

1. Determine the missing information in the following books of Drawer and Drawee :



[View Text Solution](#)

2. Determine the missing information in the following books of Drawer and Drawee :



[View Text Solution](#)