

CLASS XII
BILLS OF EXCHANGE
WORKSHEET 1

1	On 1.4.14, R sold goods to M worth Rs.50000. On the same date, M accepted a bill drawn upon him by R at 3 months for Rs.50000. On the due date, the bill was met. Pass Journal entries in the books of R and M.
2	P received from M an acceptance for Rs.30000 on 1.7.2015 at 3 months. P got this acceptance discounted at 12% p.a. at his bank. On the due date, M paid the required amount. Pass Journal entries in the books of P and M.
3	A bill for Rs.4500 is drawn by Mohan and Company on Ram Nath and Company and accepted by the latter payable at State Bank of India. Show what journal entries would be recorded in the books of both the parties under each of the following circumstances. a) If they retained the bill till the due date and then realized it on maturity. b) If they discounted it with their bankers, City Bank, for Rs.4380. c) If they endorsed it over to their creditors Mehtab and Company as settlement of their debt of Rs.4520. d) If they sent the same to their bank for collection.
4	A draws on B three Bills of Exchange for Rs.5000, Rs.4000 and Rs.3000 respectively for goods sold to him on Feb.1 st , 2015. These bills were for one month, two months and three months respectively. The first bill was endorsed to his creditor, C. The second bill was discounted with his bank on 4 th Feb, 2007 @ 12% discount and the third bill was sent to his bank for collection on 30 th April. On the due dates all the bills were duly met by B. The bank sent the collection advice for the third bill after deducting Rs.25 as collection charges. Pass journal entries in the books of A and B.
5	A sold goods to B for Rs.50000 on 1.1.2013 and on the same day he drew a bill on B at three months for the amount. The bill is duly accepted but is dishonoured on the due date. A pays Rs.1000 as noting charges. Record these transactions in the Journals of A and B.
6	X draws a bill on Y for Rs.20000 on 4 th Sept; 2015 payable after 4 months. X discounts the bill with the bank @ 12% p.a. on 7 th October. The bill is dishonoured on the due date. Pass the necessary entries in the books of X and Y if the bank paid Rs.300 as noting charges.

7	B owed to A Rs.60000 on 1.1.2015. On the same date, A drew upon B a bill for the amount at 2 months and B returned the bill duly accepted. A got the bill discounted at his bank at 15% p.a. Before the bill was due for payment, B told A that he was not able to pay the full amount and requested A to accept Rs.20000 immediately and drew upon him another bill for the remaining amount for two months together with interest at 18% p.a. A agreed. The second bill was duly met. Pass the journal entries.
8	Journalise the following in the books of Hari. Sohan informs Hari that Mohan's acceptance for Rs.13000, endorsed in favour of Sohan by Hari, has been dishonoured, noting charges Rs.200. Sohan agrees to accept Rs.3000 in cash and an acceptance at 3 months together with interest @12% p.a.
9	P accepted a draft for Rs.40000 drawn on him by Q on 1.5.2014, for 3 months. This was for the amount which P owed Q. Q got the bill discounted at his bank for Rs.39000. Just before the due date, P approached Q for renewal of the bill. Q agreed on the condition that Rs.10000 be paid immediately together with interest on the remaining amount at 12%p.a. for 3 months and that for the remaining balance P should accept a new bill for 3 months. These arrangements were carried through. The new bill was duly met. Pass journal entries in the books of P and Q.
10	N sold goods for Rs.23,000 to A on Dec. 01, 2014. He drew upon A a bill of exchange for the same amount payable after 2 months. A accepted the bill and sent it back to N. N discounted the bill immediately with his bank @12 p.a. On the due date A dishonored the bill of exchange and the bank paid Rs.100 as noting charges. Akhil requested N to draw a new bill upon him with interest @10% p.a. which he agreed. The new bill was payable after two months. A week before the maturity of the second bill A requested N to cancel the second bill. He further requested to accept Rs.10,000 in cash immediately and drew a third bill upon him including interest of Rs.500. N agreed to A's request. The third bill was payable after one month. A met the third bill on its maturity. Record the necessary journal entries in the books of N and A
11	A sold goods to the value of Rs.2000 to B, taking a bill at 3 months for the amount. A discounted the bill at 5% p.a. with his bank. On maturity the bill was returned by the bank dishonoured and Rs.50 was paid as noting charges. B paid Rs.500 as noting charges and gave another bill at 3 months for Rs.1500 together with 8% p.a. interest. The new bill was met on the date of maturity. Pass entries in A's Journal.
12	On 1.1.2015, A sold goods to B for Rs.10000 and drew upon him a bill at 3 months for the amount. B accepted the bill and returned to it A. On 4th March, 2017, B retired the Bill under rebate of 6%p.a. Record these transactions in the journals of A and B.
13	On Feb. 14, 2014 R sold good Rs.7,500 to A. A paid Rs.500 in cash and for the bank balance accepted a bill of exchange drawn upon her by R payable after two months. On Apr.10, 2014 A approached R to cancel the bill since she was short of funds. She further requested R to accept Rs.2,000 in cash and draw a new bill for the balance including interest Rs.500. R
	accepted A's request and drew a new bill for the amount due payable after 2 months. The bill was accepted by A. The new bill was duly met by A on maturity. Record the necessary journal entries in the books of R and A and prepare A's account in the books of R's and R's account in the books of A's.