

STD – XI

BILL OF EXCHANGE

1. On Jan 01, 2006 Rao sold goods Rs.10,000 to Reddy. Half of the payment was made immediately and for the remaining half Rao drew a bill of exchange upon Reddy payable after 30 days. Reddy accepted the bill and returned it to Rao. On the due date Rao presented the bill to Reddy and received the payment. Journalise the above transactions in the books Rao and prepare of Rao's account in the books of Reddy.
2. On Jan 01,2006, Shankar purchased goods from Parvati for Rs.8,000 and immediately drew a promissory note in favour of Parvati payable after 3 months. On the date of maturity of the promissory note, the Government of India declared holiday under the Negotiable Instrument Act 1881. Since, Parvati was unaware about the provision of the law regarding the date of maturity of the bill, she handed over the bill to her lawyer, who duly presented the bill and received the payment. The amount of the bill was handed over by the lawyer to Parvati immediately. Record the necessary Journal entries in the books of Parvati and Shankar.
3. Vishal sold goods for Rs.7,000 to Manju on Jan 05, 2006 and drew upon her a bill of exchange payable after 2 months. Manju accepted Vishal's draft and handed over the same to Vishal after acceptance. Vishal immediately discounted the bill with his bank@12% p.a. On the due date Manju met her acceptance. Journalise the above transactions in the books of Vishal and Manju
4. On Feb 01, 2006, John purchased goods for Rs.15,000 from Jimmi. He immediately made a payment of Rs.5,000 by cheque and for the balance accepted the bill of exchange drawn upon him by Jimmi. The bill of exchange was payable after 40 days. Five days before the maturity of the bill, Jimmi sent the same to his bank for collection. The bank duly presented the bill to John on the due date who met the bill. The bank informed the same to Jimmi. Prepare John's account in the books of Ji immi and Jimmi account In the books of John.
5. On Jan 01, 2006 Neha sold goods for Rs.20,000 to Muskan and drew upon her a bill of exchange payable after two months. One month before the maturity of the bill Muskan approached Neha to accept the payment against the bill at a rebate @ 12% p.a. Neha agreed to the request of Muskan and Muskan retired the bill under the agreed rate of rebate. Journalise the above transaction in the books of Neha and Muskan.