



### Let's Get Started....With Class Work

#### 1. ICAI Illustration 2

Vijay sold goods to Pritam on 1st September, 2019 for Rs.1,06,000. Pritam immediately accepted a three months bill. On due date Pritam requested that the bill be renewed for a fresh period of two months. Vijay agrees provided interest at 9% was paid immediately in cash. To this Pritam was agreeable. The second bill was met on due date. Give Journal entries in the books of Vijay and Pritam.



#### 2. ICAI Illustration 3

On 1st January, 2020, Ankita sells goods for Rs.5,00,000 to Bhavika and draws a bill at three months for the amount. Bhavika accepts it and returns it to Ankita. On 1st March, 2020, Bhavika retires her acceptance under rebate of 12% per annum. Record these transactions in the journals of Ankita and Bhavika.



#### 3. ICAI Illustration 5

On 1st January, 2020, Vilas draws a bill of exchange for Rs.10,000 due for payment after 3 months on Eknath. Eknath accepts to this bill of exchange. On 4th March, 2020 Eknath retires the bill of exchange at a discount of 12% p.a. You are asked to show the journal entries in the books of Eknath.



#### 4. ICAI illustration 6

On 1st January, 2020, Vilas draws a Bill of Exchange for Rs.10,000 due for payment after 3 months on Eknath. Eknath accepts to this bill of exchange. On 4th March, 2020. Eknath retires the bill of exchange at discount of 12% p.a. You are asked to show the journal entries in the books of Vilas.



**5. ICAI Illustration 7**

Mr. David draws two bills of exchange on 1.1.2020 for Rs.6,000 and Rs.10,000. The bills of exchange for Rs.6,000 is for two months while the bill of exchange for Rs.10,000 is for three months. These bills are accepted by Mr. Thomas. On 4.3.2020, Mr. Thomas requests Mr. David to renew the first bill with interest at 18% p.a. for a period of two months. Mr. David agrees to this proposal. On 20.3.2020, Mr. Thomas reneges the acceptance for Rs.10,000, the interest rebate i.e. discount being Rs.100. Before the due date of the renewed bill, Mr. Thomas becomes insolvent and only 50 paise in a rupee could be recovered from his estate.

**6. ICAI Illustration 8**

Rita owed Rs.1,00,000 to Siriman. On 1st October, 2019, Rita accepted a bill drawn by Siriman for the amount at 3 months. Siriman got the bill discounted with his bank for Rs.99,000 on 3rd October, 2019. Before the due date, Rita approached Siriman for renewal of the bill. Siriman agreed on the conditions that Rs.50,000 be paid immediately together with interest on the remaining amount at 12% per annum for 3 months and for the balance, Rita should accept a new bill at three months. These arrangements were carried out. But afterwards, Rita became insolvent and 40% of the amount could be recovered from his estate.

Pass journal entries (with narration) in the books of Siriman.

**7. ICAI Illustration 9**

On 1st July, 2019 Gorge drew a bill for Rs.1,80,000 for 3 months on Harry for mutual accommodation. Harry accepted the bill of exchange. Gorge had purchased goods worth Rs.1,81,000 from Jack on the same date. Gorge endorsed Harry's acceptance to Jack in full settlement. On 1st September, 2019, Jack purchased goods worth Rs.1,90,000 from Harry. Jack endorsed the bill of exchange received from Gorge to Harry and paid Rs. 9,000 in full settlement of the amount due to Harry. On 1st October, 2019, Harry purchased goods worth Rs.2,00,000 from Gorge. Harry paid the amount due to Gorge by cheque. Give the necessary Journal Entries in the books of Harry and Gorge.

**8. ICAI Illustration 10**

For the mutual accommodation of 'X' and 'Y' on 1st April, 2019, 'X' drew a four months' bill on 'Y' for Rs.4,000. 'Y' returned the bill after acceptance of the same date. 'X' discounts the bill from his bankers @ 6% per annum

and remit 50% of the proceeds to 'Y'. On due date 'X' is unable to send the amount due and therefore 'Y' draws a bill for Rs. 7,000, which is duly accepted by 'X'. 'Y' discounts the bill for Rs. 6,600 and sends Rs. 1,300 to 'X'. Before the bill is due for payment 'X' becomes insolvent. Later 25 paise in a rupee received from his estate. Record Journal entries in the books of 'X'.



#### 9. ICAI Illustration 12

Anil draws a bill for Rs. 9,000 on Sanjay on 5th April, 2019 for 3 months, which Sanjay returns it to Anil after accepting the same. Anil gets it discounted with the bank for Rs. 8,820 on 8th April, 2019 and remits one-third amount to Sanjay. On the due date Anil fails to remit the amount due to Sanjay, but he accepts a bill for Rs. 12,600 for three months, which Sanjay discounts it for Rs. 12,330 and remits Rs. 2,220 to Anil. Before the maturity of the renewed bill Anil becomes insolvent and only 50% was realized from his estate on 15th October, 2019.

Pass necessary Journal entries for the above transactions in the books of Anil.



#### 10. ICAI Practical Question 1

On 1st January, 2020, A sells goods for ₹10,000 to B and draws a bill at three months for the amount. B accepts it and returns it to A. On 1st March, 2020, B retires his acceptance under rebate of 12% per annum. Record these transactions in the journals of B.



#### 11. ICAI Practical Question 2

A draws upon B three Bills of Exchange of ₹ 3,000, ₹ 2,000 and ₹ 1,000 respectively. A week later the first bill was mutually cancelled, B agreeing to pay 50% of the amount in cash immediately and for the balance plus interest ₹100, he accepted a fresh Bill drawn by A. This new bill was endorsed to A who discounted the same with his bankers for ₹1,500. The second bill was discounted by A at 5%. The third bill on maturity was returned dishonoured (nothing charge being ₹30). The third bill was retained by A until maturity when it was duly met.

Give the necessary journal entries recording the above transactions in the books of A.



### 12. ICAI Practical Question 3

Journalize the following in the books of Don:

- (i) Bob informs Don that Ray's acceptance for Rs. 3,000 has been dishonoured and noting charges are Rs. 40. Bob accepts ₹ 1,000 cash and the balance as a bill at three months at interest of 10%. Don accepts from Ray his acceptance at two months plus interest @ 12% p.a.
- (ii) James owes Don ₹ 3,200; he sends Don's own acceptance in favour of Ralph for ₹ 3,160; in full settlement.
- (iii) Don meets his acceptance in favour of Singh for ₹ 4,500 by endorsing John's acceptance for ₹ 4,450 in full settlement.
- (iv) Ray's acceptance in favour of Don retired one month before due date, interest is taken at the rate of 6% p.a.



### 13. RTP May 18 / Similar As Mock Test Oct 21 (series 1)

Mr. B accepted a bill for ₹ 10,000 drawn on him by Mr. A on 1st August, 2017 for 3 months. This was for the amount which B owed to A. On the same date Mr. A got the bill discounted at his bank for ₹ 9,800.

On the due date, B approached A for renewal of the bill. Mr. A agreed on condition that 2,000 be paid immediately along with interest on the remaining amount at 12% p.a. for 3 months and that for the remaining balance B should accept a new bill for 3 months. These arrangements were carried through.

On 31st December, 2017, B became insolvent and his estate paid 40%.  
Prepare Journal Entries in the books of Mr. A



### 14. RTP Nov 18 / ICAI Illustration 4

Prepare Journal entries for the following transactions in K. Katak's books.

- a. Katak's acceptance to Basu for ₹ 2,500 discharged by a cash payment of ₹ 1,000 and a new bill for the balance plus ₹ 50 for interest.
- b. G. Gupta's acceptance for ₹ 4,000 which was endorsed by Katak to M. Mehta was

dishonoured. Mehta paid ₹ 20 noting charges. Bill withdrawn against cheque.

c. D. Dalal retires a bill for ₹ 2,000 drawn on him by Katrak for ₹ 10 discount.

d. Katrak's acceptance to Patel for ₹ 5,000 discharged by Patel Mody's acceptance to Katrak for a similar amount.



### 15. QP May 19

On 1st January 2018, Akshay draws two bills of exchange for ₹ 16,000 and ₹ 25,000.

The bill of exchange for ₹ 16,000 is for two months while the bill of exchange for ₹ 25,000 is for three months. These bills are accepted by Vishal. On 4th March, 2018, Vishal requests Akshay to renew the first bill with interest at 15% p.a. for a period of two months. Akshay agreed to this proposal. On 25th March, 2018, Vishal retires the acceptance for ₹ 25,000, the interest rebate i.e. discount being ₹ 250. Before the due date of the renewed bill, Vishal becomes insolvent and only 50 paise in a rupee could be recovered from his estate. Show the Journal Entries (with narrations) in the books of Akshay.



### 16. RTP Nov 19

Mr. B accepted a bill for ₹ 10,000 drawn on him by Mr. A on 1st August, 2017 for 3 months. This was for the amount which B owed to A. On the same date Mr. A got the bill discounted at his bank for ₹ 9,800. On the due date, B approached A for renewal of the bill. Mr. A agreed on condition that ₹ 2,000 be paid immediately along with interest on the remaining amount at 12% p.a. for 3 months and that for the remaining balance B should accept a new bill for 3 months. These arrangements were carried through. On 31st December, 2017, B became insolvent and his estate paid 40%.

You are required to prepare Journal Entries in the books of Mr. A



### 17. RTP MAY 20

On 1st January 2018, Akshay draws two bills of exchange for ₹ 16,000 and ₹ 25,000. The exchange for ₹ 16,000 is for two months while the bill of exchange for ₹ 25,000 is for three months.

These bills are accepted by Vishal. On 4th March, 2018, Vishal requests Akshay to renew the first bill with interest at 15% p.a. for a period of two months. Akshay agreed to this proposal. On 25th March, 2018, Vishal retires the acceptance for ₹ 25,000, the interest rebate i.e. discount being ₹ 250. Before the due date of the renewed bill, Vishal becomes insolvent and only 50 paise in a rupee could be recovered from his estate. Show the Journal Entries (with narrations) in the books of Akshay.



**18. RTP NOV 20**

Rita owed ₹1,00,000 to Siriman. On 1st October, 2019, Rita accepted a bill drawn by Siriman for the amount of 3 months. Siriman got the bill discounted with his bank for ₹99,000 on 3rd October, 2019. Before the due date, Rita approached Siriman for renewal of the bill. Siriman agreed on the conditions that ₹50,000 be paid immediately together with interest on the remaining amount at 12% per annum for 3 months and for the balance, Rita should accept a new bill at three months. These arrangements were carried out. But afterwards, Rita became insolvent and 40% of the amount could be recovered from his estate. Pass journal entries (with narration) in the books of Siriman



**19. QP NOV 20**

Suresh draws a bill for ₹ 15,000 on Anup on 15th April, 2020 for 3 months, which Anup returns to Suresh after accepting the same. Suresh gets it discounted with the bank for ₹ 14,700 on 18 April, 2020 and remits one-third amount to Anup. On the due date Suresh fails to remit the amount due to Anup, but accept a bill of ₹ 17,500 for n 3 months, which Anup discounts for ₹ 17,100 and remits ₹ 2,825 to Suresh. Before the maturity of the renewed bill Suresh becomes insolvent and only 50% was realized from his estate on 31st October, 2020. Pass necessary Journal entries for the above transaction in the books of Suresh.



**20. ICAI Illustration 1**

Ms. Sujata receives two bills from Ms. Aruna dated 1st January 2020 for 2 months. The first bill is for 10,200 and the second bill is for Rs. 15,000. The second bill was endorsed in favour of Mr. Sree on 3rd January 20. And the First bill is discounted immediately with the bank for Rs. 10,000. Pass the necessary journal entries in the books of Ms. Sujata.

**21. RTP MAY 21**

Prepare Journal entries for the following transactions in Samarth's books.

- (i) Samarth's acceptance to Aarav for ₹ 1,250 discharged by a cash payment of ₹ 500 and a new bill for the balance plus ₹ 25 for interest.
- (ii) G. Gupta's acceptance for ₹ 4,000 which was endorsed by Samarth to Sahni was dishonoured. Sahni paid ₹ 20 noting charges. Bill withdrawn against cheque.
- (iii) Harshad retires a bill for ₹ 5,000 drawn on him by Samarth for ₹ 20 discount.
- (iv) Samarth's acceptance to Patel for ₹ 19,000 discharged by Sandeep Chadha's acceptance to Samarth for a similar amount.

**22. RTP NOV 21**

Prepare Journal entries for the following transactions in David's books.

- i) David's acceptance to Samuel for ₹ 5,000 discharged by a cash payment of ₹ 1,000 and a new bill for the balance plus ₹ 100 for interest.
- ii) Samantha's acceptance for ₹ 8,000 which was endorsed by David to Flex was dishonoured. Flex paid ₹ 50 noting charges. Bill withdrawn against cheque.
- iii) Simon retires a bill for ₹ 2,000 drawn on him by David for ₹ 20 discount.
- iv) David's acceptance to Ralph for ₹ 20,000 discharged by Ralph's Kent's acceptance to David for a similar amount.



## 23. ICAI Illustration 11

X draws on Y a bill of exchange for ₹ 30,000 on 1st April, 2020 for 3 months. Y accepts the bill and sends it to X who gets it discounted for ₹ 28,800. X immediately remits ₹ 9,600 to Y. On the due date, X, being unable to remit the amount due, accepts a bill for ₹ 42,000 for three months which is discounted by Y for ₹ 40,110. Y sends ₹ 6,740 to X. Before the maturity of the bill X becomes bankrupt, his estate paying fifty paise in the rupee. Give the journal entries in the books of X and Y.



## 24. QP Dec 21

On 12th May, 2020 A sold goods to B for ₹ 36,470 and drew upon the latter two bills one for ₹ 16,470 at one month and the other for ₹ 20,000 at three months. B accepted both the bills

On 5th June, 2020 A sent both the bills to his banker for collection on the due dates. The first bill was duly met. But due to some temporary financial difficulties, B failed to honor the second bill on the due date and the bank had to pay ₹ 20 as noting charges.

However, on 16th August, 2020 it was agreed between A and B that B would immediately pay ₹ 8,020 in cash and accept a new bill at 3 months for ₹ 12,480 which included interest for postponement of the part payment of the dishonoured bill. A immediately sent new acceptance to its bank for collection on the due date. On 1st October, 2020 B approached A offering ₹ 12,240 for retirement of his acceptance. A accepted the request.

You are Required to pass journal entries of all the above transaction in the books of A



## 25. RTP May 22

On 1st January 2021, Swapnil draws two bills of exchange for ₹ 32,000 and ₹ 50,000. The bill of exchange for ₹ 32,000 is for two months while the bill of exchange for ₹ 50,000 is for three months. These bills are accepted by Vishal. On 4th March, 2021, Vishal requests Swapnil to renew the first bill with interest at 15% p.a. for a period of two months. Swapnil agreed to this proposal. On 25th March, 2021, Vishal retires the acceptance for ₹ 50,000, the interest rebate i.e. discount being ₹ 500. Before the due date of the renewed bill, Vishal becomes insolvent and only 50 paise in a rupee could be recovered from his estate.

Show the Journal Entries (with narrations) in the books of Swapnil.



**26. RTP Nov 22**

Mr. Tanu accepted a bill for ₹ 1,00,000 drawn on him by Mr. Manu on 1st August, 2021 for 3 months. This was for the amount which Tanu owed to Manu. On the same date Mr. Manu got the bill discounted at his bank for ₹ 98,000.

On the due date, Tanu approached Manu for renewal of the bill. Mr. Manu agreed on condition that ₹ 20,000 be paid immediately along with interest on the remaining amount at 12% p.a. for 3 months and that for the remaining balance Tanu should accept a new bill for 3 months. These arrangements were carried through. On 31st December, 2021, Tanu became insolvent and his estate paid 40%.

Prepare Journal Entries in the books of Mr. Manu.

**27. MTP Nov 22 Series 2**

Mr. Y accepted a bill for ₹ 50,000 drawn on him by Mr. X on 1st August, 2021 for 3 months. This was for the amount which Y owed to X. On the same date Mr. X got the bill discounted at his bank for ₹ 49,000. On the due date, Y approached X for renewal of the bill. Mr. X agreed on condition that ₹ 10,000 be paid immediately along with interest on the remaining amount at 12% p.a. for 3 months and that for the remaining balance Y should accept a new bill for 3 months. These arrangements were carried through. On 31st December, 2021, Y became insolvent and his estate paid 40%.

Prepare Journal Entries in the books of Mr. X

**28. QP Nov 22**

T draws on J a bill of exchange for ₹ 1, 80,000 on 1st April, 2022 for 3 months. J accepts the bill and sends it to T, who gets it discounted from his banker for ₹ 1, 72,800. T immediately remits ₹ 57,600 to J. On the due date, T, being unable to remit the amount due, accepts a bill for ₹ 2, 52,000 for the three months, which is discounted by J from his banker for ₹ 2, 40,660. J sent ₹ 40,440 to T. before the maturity of the bill. T becomes bankrupt and his estate paying fifty paise in rupee.

Given the journal entries in the book of T and J.

**29. RTP May 23**

Priya owed ₹5,00,000 to Pratika. On 1st October, 2022, Priya accepted a bill drawn by Pratika for the amount at 3 months. Pratika got the bill discounted with his bank for ₹4,95,000 on 3rd October, 2022. Being unable to pay the amount on due date, Priya approached Pratika for renewal of the bill. Pratika agreed on the conditions that ₹2,50,000 be paid immediately together with interest on the remaining amount at 10% per annum for 3 months and for the balance, Priya should accept a new bill at three months. These arrangements were carried out. But afterwards, Priya became insolvent and 60% of the amount could be recovered from his estate.

Pass journal entries (with narration) in the books of Pratika.

**30. QP June 23**

Journalise the following transactions in the books of Karthik:

- (i) Karthik accepted a bill to Balu for ₹3,500 discharged by a cash payment of ₹1,500 and a new bill for the balance plus ₹75 for interest.
- (ii) Gopal acceptance for ₹4,500 which was endorsed by Karthik to Moban was dishonoured. Mohan paid ₹50 as noting charges. Bill was withdrawn against cheque.
- (iii) Doshi retires a bill for ₹2,500 drawn on him by Karthik for ₹25 discount.
- (iv) Kathie's acceptance to Prem for ₹6,500 discharged by Prem. Ashok's acceptance to Karthik for a similar amount.

**31. RTP Dec 23**

Mr. Y accepted a bill for ₹40,000 drawn on him by Mr. X on 1<sup>st</sup> August, 2022 for 3 months. This was for the amount which Y owed to X. On the same date Mr. A got the bill discounted at his bank for ₹39,200. On the due date, Y approached X for renewal of the bill. Mr. X agreed on condition that ₹8,000 be paid immediately along with interest on the remaining amount at 12% p.a. for 3 months and that for the remaining balance Y should accept a new bill for 3 months. These arrangements were carried through. On 31<sup>st</sup> December

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2022, Y became insolvent and his estate paid 40%.  
You are required to prepare Journal Entries in the books of Mr. X

