

19. B owes C a sum of Rs.6,000 on 1stApril 2017. He accepts the bill drawn by C for 3 months. C gets it discounted with his bankers on the same day for Rs.5,700. On the due date, the bill is dishonoured. The bank paid Rs.50 as noting charges. B then pays Rs.2,000 in cash and accepts a bill of exchange drawn on him for the balance together with Rs.50 as interest. This bill of exchange is for 2 months and on the due date the bill was honoured.

Draft journal entries in the books of all the parties.

20. On 01.04.2017 Arjun drew a three months bill on Sunitha for Rs.5000. Sunitha accepted the same. On the due date Sunitha approached Arjun to cancel original bill and to renew the bill for a period of one month for which Sunitha paid an interest Rs.200 and Arjun renewed the bill. On the due date the bill was met.

Pass necessary journal entries in the books of Arjun and Sunitha.

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21. X Sold goods to Y for Rs.2,400 on 01.01.2017. He draws three bills of exchange on Y. The first bill for Rs.600 at 2 months, the second for Rs.1,000 at three months and the third for Rs.800 for 4 months. Y accepts all the bills.

The First bill is endorsed by X to M. The second and third bills are discounted in the bank for Rs.990 and Rs.785 respectively. The third bill is dishonoured and noting charges paid amounted to Rs.20 on 4th May 2017. A fresh bill was drawn on Y for Rs.840 (including interest Rs.20 for 3 months). The bill was honoured on the due date

Show the journal entries in the books of X and Y