

INTERNATIONAL INDIAN SCHOOL RIYADH

ACCOUNTANCY WORK SHEET 4– CLASS 11

CHAPTER: SUBSIDIARY BOOKS

Q.1 What is meant by retiring of a bill. **(March 2008. Marks 1)**

Q.2 Calculate the due date of the bill, if the bill is drawn on 14th March 2007 and payable after 3 months. **(March 2008. Marks 1)**

Q.3 How will you treat noting charges in the books of drawer? If: the bill is retained by the drawer. **(March 2009. Marks 1)**

Q.4 What is meant by maturity of a bill of Exchanges? **(March 2009. Marks 1)**

Q.5 On 01.10.2002, A sold goods to B for Rs. 3,000 less 10% trade discount and 5% for cash in **one** month. These bills were paid by cheque on 2nd November, further goods were invoiced to “B” for Rs. 1,800. For these, B accepted a bill at **two** months from the date of invoice. On presentation of the bill on the due date it was dishonoured and noting charges of Rs. 25 were paid by bank. “B” was later declared insolvent on 11th April 2003, “A” received a first and final dividend of 25 paise in the rupee. Show the transactions in the journal of “A”.

(March 2005. Marks 5)

Q.6 On 10th Jan, 2003 Long got a **two** months acceptance from Short for Rs. 6,000. On 20th Jan Long discounted the bill with his bank for Rs. 5,780. On due date the bill is dishonoured and bank paid noting charges Rs. 70. On request Long drew a new bill on 15th March for a further period of **one** month for which an interest Rs. 180 is charged. The second bill is endorsed to Stout, which is met on due date.

Give entries in the books of Long. **(March 2006. Marks 7)**

Q.7 Anil sold goods Rs. 14,000 to Bala on 31st October, 2005 and drew two bills of Rs. 6,000 and Rs. 8,000 payable after three and four months respectively. He endorsed the first bill in favour of his creditor Chandran. The second bill was discounted on Dec 3rd, 2005 at 12 % per annum. The first bill was met on maturity but the second bill was dishonoured and the bank paid Rs. 50 as Noting Charges.

On March 03, 2006 Bala paid Rs. 4,000 and noting charges in cash and accepted a new bill at two months after date for the balance plus interest Rs.100. The new bill was met on maturity by Bala.

You are required to give the journal entries in the books of Anil.

(March 2007. Marks 8)

Q.8 On 1st July 2007 Rohan draws a bill on Mohan for Rs. 10,000 payable three months due for goods sold, duly accepted by Mohan. Rohan gets the bill discounted with his Bank on 4th August, at a discount of 12% per annum. On due date bank returned the bill dishonoured with noting charges of Rs. 100. Mohan paid Rs. 2,100 in cash and requested to draw another bill on him for the balance amount for 2 months with interest @ 12% p.a. which Rohan did. Before due date Mohan became insolvent and his estate paid 50% as first and final instalment.

Give journal entries in the books of Rohan.

OR

On March 1st 2007, Ravi drew upon Navin a bill of exchange for Rs. 25,000 payable after one month, which the latter accepted. On the due date, Navin dishonoured his acceptance. Pass necessary journal entries in the books of Ravi with him till maturity.

- When the bill was retained by Ravi with him till maturity.
- When the bill was discounted by Ravi immediately with his banker @ 6 % p.a.
- When the bill was endorsed to his creditor Ganesh.
- When the bill was sent to his bank for collection a few days before maturity.

(March 2008. Marks 8)

Q.9 On 15th April, 2003 'B' accepted three Bills of Exchange for Rs. 24,000; No. 1 for Rs. 7,000 for one month; No. 2, Rs. 8,000 for two months; and No. 3, for Rs. 9,000 for 3 months.

On 20th April 'A' endorsed Bill No. 1 to his creditor 'C' to clear his account, discounted his Bill No. 2 on 22nd April with his bankers for Rs. 7,920 and retained the third bill till maturity.

Bill No. 1 was met on Maturity. Bill No. 2 was dishonoured on due date;

Rs. 100 being paid for Noting charges. 'A' charged 'B' for Rs. 150 for interest and drew on him a fourth bill for Rs. 8,250 for three months and 'B' accepted it and returned. Bill No. 3 and 4 were met on due date.

Pass necessary journal entries in the books of A.

OR

Record the following in the journal.

- (i) Ram's acceptance for Rs. 20,000, renewed for three months plus interest @ 5% per annum.
- (ii) Shyam's acceptance for Rs. 4,500, due this day, returned dishonoured, Noting Charges Rs. 10
- (iii) Before the due date of the bill for Rs. 300 X, the acceptor

approaches us and pays Rs. 100 in Cash and asks us to draw on him another bill for Rs. 215 being for interest, we agree to it. **March 2009. Marks 8)**

Q.10 Ashok sold goods of Rs. 14,000 to Bishan on October 30, 2008 and drew three bills for Rs. 2,000, Rs. 4,000 and Rs. 8,000 payable after two, three and four months respectively. The first bill was kept by Ashok with him till maturity. He endorsed the second bill in favour of his creditor Chetan. Third bill was discounted on 3d December, 2008 @ 12% p.a. The first and second bills were duly met on maturity but the third bill was dishonour and bank paid Rs. 50 as noting charges. On March 3rd 2006 Bishan paid Rs. 4,000 and noting charges in cash and accepted a new bill at two months after date for the balance plus interest Rs. 100. The new bill was met on maturity by Bishan.

You are required to give journal entries in the books of Ashok.

(March 2010. Marks 8)