



**Date:- 23<sup>rd</sup> April 2019**  
**S.Y.J.C.(VCR) / Accounts**

**Test No:-1**  
**Topic:- Bills of Exchange**

**Marks:- 30**  
**Time:- 1 hr 15 mins**

**Q.1.** Sharad sold goods to Damodar worth ₹20,000, taking a bill of exchange at 3 months, dated 1<sup>st</sup> July, 2010. On 4<sup>th</sup> August he discounted the bill at 15% p.a. with his bank. On maturity the bill was returned by the bank as dishonoured and Sharad has to pay the amount of bill to the bank. Damodar paid ₹8,000 to Sharad and accepted new bill at three month for ₹12,000 plus 18% p.a. interest. But, before maturity, he became insolvent and only 50% amount was received as first and final dividend from his estate.

***You are required to give journal entries in the books of Sharad and Damodar. (10)***

**Q.2.** On 7<sup>th</sup> May, 2011 Barve of Karvenagar draws a bill on Langekar of Latur for ₹8,000 at 3 months, Langekar accepts and returns to Barve. Barve then sends the bill into his bank for collection.

On due date Langekar finds himself unable to make the payment of the bill and requests Barve to renew it. Barve agreed on the condition that Langekar should pay ₹5,000 in cash, and should accept new bill for the balance at 2 months with interest ₹200. These arrangements were carried through. Before due date Langekar was declared as insolvent and ₹1,500 could be recovered from his private estate as first and final dividend.

***Give Journal entries in the Books of Barve & Langekar. (10)***

**Q.3** Journalise the following transactions in the books of Kedarnath: **(10)**

1. Badrinath informs Kedarnath that Aloknath's acceptance endorsed to him for Rs. 10,000 was dishonoured & noting charges amounted to ₹ 500.
2. Somnath renews his acceptance of ₹ 14,400 to Kedarnath by paying cash ₹4,400 & accepting a new bill for 2 months for the balance plus interest @ 12%p.a
3. Vishwanath retired his acceptance for ₹ 10,500 to Kedarnath by paying in cash ₹10,250.
4. Recovered only 50% of the amount due from the private estate of Ramnath, who declared as insolvent, against his bill of ₹ 12,500.

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**Date:- 23<sup>rd</sup> April 19**  
**S.Y.J.C.(VCR) / Accounts**

**Test No:-1**  
**Topic:- Bills of Exchange**

**Marks:- 30**  
**(Solution)**

**Q.1. Solution:-**

**Sharad's Journal**

Date	Particulars		L.F.	Debit ₹	Credit ₹
2010 July 1	Damodar's A/c To Sales A/c (Being goods sold on credit basis)	Dr.		20,000	20,000
July 1	Bills Receivable A/c To Damodar's A/c (Being acceptance received at three months)	Dr.		20,000	20,000
Aug 4	Cash/Bank A/c Discount A/c To Bills Receivable A/c (Being old bill discounted at 15% two months before its maturity)	Dr. Dr.		19,500 500	20,000
Oct. 4	Damodar's A/c To Bank A/c (Being old bill cancelled and amount paid to bank due acceptor's inability)	Dr.		20,000	20,000
Oct. 4	Cash A/c To Damodar's A/c (Being cash received from acceptor as a part payment)	Dr.		8,000	8,000
Oct. 4	Damodar's A/c To Interest A/c (Being interest due from acceptor on the outstanding balance for 3 months)	Dr.		540	540
Oct. 4	Bills Receivable A/c To Damodar's A/c (Being a new bill received at 3 months)	Dr.		12,540	12,540
2011 Jan. 7	Damodar's A/c To Bills Receivable A/c (Being bill dishonoured due to acceptor's insolvency)	Dr.		12,540	12,540
Jan. 7	Cash A/c Bad debts A/c To Damodar's A/c (Being cash received from estate of acceptor and the balance written off as bad debts)	Dr. Dr.		6,270 6,270	12,540
	<b>Total ₹</b>			<b>1,26,160</b>	<b>1,26,160</b>

**Damodar's Journal**

<b>Date</b>	<b>Particulars</b>		<b>L.F.</b>	<b>Debit ₹</b>	<b>Credit ₹</b>
<b>2010</b>	Purchases A/c	Dr.		20,000	
July 1	To Sharad's A/c (Being goods purchased on credit)				20,000
July 1	Sharad's A/c To Bills Payable A/c (Being bill cancelled for renewal purpose)	Dr.		20,000	20,000
Oct. 4	Bills Payable A/c To Sharad's A/c (Being bill cancelled for renewal purpose)	Dr.		20,000	20,000
Oct. 4	Sharad's A/c To Cash A/c (Being cash paid as part payment)	Dr.		8,000	8,000
Oct. 4	Interest A/c To Sharad's A/c (Being interest payable to the drawer)	Dr.		540	540
Oct. 4	Sharad's A/c To Bills Payable A/c (Being new acceptance given at 3 months)	Dr.		12,540	12,540
<b>2011</b>	Bills payable A/c	Dr.		12,540	
Jan. 7	To Sharad's A/c (Being bill dishonoured due to insolvency)				12,540
Jan. 7	Sharad's A/c To Cash A/c To Deficiency A/c (Being dividend of 50 paise in paid and balance transferred to deficiency account)	Dr.		12,540	6,270 6,270
	<b>Total ₹</b>			<b>1,06,160</b>	<b>1,06,160</b>

## Q.2. Solution

### Journal entries in the books of Barve

Date	Particulars		L.F.	Debit ₹	Credit ₹
2011 May 1	Bills Receivable A/c To Langekar's A/c (Being received bill for 3 months accepted by Langekar)	Dr.		8,000	8,000
May 7	Bills sent for collection A/c To Bills Receivable A/c (Being 3 months bill of Langekar deposited into bank for collection)	Dr.		8,000	8,000
Aug. 10	Langekar's A/c To Bills sent for collection A/c (Being 3 months bill accepted by him & deposited into bank cancelled for renewal)	Dr.		8,000	8,000
Aug. 10	Langekar's A/c To Interest A/c (Being interest charged or renewal of a bill)	Dr.		200	200
Aug. 10	Cash A/c Bills Receivable A/c To Langekar's A/c (Being on renewal received cash & new acceptance as per agreement)	Dr. Dr.		5,000 3,200	8,200
Oct. 13	Langekar's A/c To Bills Receivable A/c (Being Langekar's bill cancelled for on his insolvency)	Dr.		3,200	3,200
Oct.13	Cash A/c Bad debts A/c To Langekar's A/c (Being recovered ₹1,500 and 1,700 written off as bad debts in full & final settlement)	Dr. Dr.		1,500 1,700	3,200
	<b>Total ₹</b>			<b>38,800</b>	<b>38,800</b>

**Journal Entries in the books of Langekar of Latur**

<b>Date</b>	<b>Particulars</b>		<b>L.F.</b>	<b>Debit ₹</b>	<b>Credit ₹</b>
<b>2011</b>	Barve's A/c	Dr.		8,000	
May 7	To Bills Payable A/c (Being bill accepted for 3 months period for the amount due)				8,000
Aug. 10	Bills Payable A/c To Barve's A/c (Being 3 months bills cancelled for renewal)	Dr.		8,000	8,000
Aug. 10	Interest A/c To Barve's A/c (Being interest charged on amount due on renewal)	Dr.		200	200
Aug. 10	Barve's A/c To Cash A/c To Bills Payable A/c (Being bill accepted for 2 months period and paid cash as agreed)	Dr.		8,200	5,000 3,200
Oct. 13	Bills payable A/c To Barve's A/c (Being 2 months acceptance cancelled on insolvency)	Dr.		3,200	3,200
Oct. 13	Barve's A/c To Cash A/c To Deficiency A/c (Being paid ₹1,500 and written off as deficiency ₹1,700 as full final settlement)	Dr.		3,200	1,500 1,700
	<b>Total ₹</b>			<b>30,800</b>	<b>30,800</b>

Q.3.

In the books of Kedarnath

(10)

## Journal of Kedarnath

Date	Particulars	L.F.	Debit ₹	Credit ₹
2010 1.	Alokhnath A/c Dr. To Badrinath A/c (Being _____)		10,500	10,500
2. a)	Somnath A/c Dr. To Bills Receivable A/c (Being _____)		14,400	14,400
b)	Somnath A/c Dr. To Interest A/c (Being _____)		200	200
c)	Cash/ Bank A/c Dr. To Somnath A/c (Being _____)		4,400	4,400
d)	Bills Receivable A/c Dr. To Somnath A/c (Being _____)		10,200	10,200
3.	Cash A/c Dr. Discount allowed A/c Dr. To Bills Receivable A/c (Being _____)		10,250 250	10,500
4. a)	Ramnath A/c Dr. To Bills receivable (Being _____)		12,500	12,500
b)	Cash/ Bank A/c Dr. Bad debts A/c Dr. To Ramnath A/c (Being _____)		6,250 6,250	12,5000

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