

Q.3. Tanmay purchased goods from Chinmay worth Rs. 6,000 for which he accepted a bill drawn by Chinmay at 3 months. The bill discounted with the bank at a discount of Rs. 150. Before the due date Tanmay approached Chinmay with request to renew the bill. Chinmay agreed on the condition that Rs. 3,000 be paid immediately in cash & for balance accept a new bill with interest at 12% p.a. for 2 months. These arrangements were carried through. The bill was duly honoured by Tanmay. Pass Journal entries in the books of Chinmay & Tanmay.

Q.4. On 21<sup>st</sup> January, 2007, Duryodhan purchased goods worth Rs. 10,000 from Arjun. Arjun drew a bill of Rs. 10,000 3 months. On 1<sup>st</sup> February, 2007, the bill was endorsed to Vasudev in exchange of the goods purchased for Rs. 10,000 on that date. The bill could not be honoured on the due date. Pass necessary journal entries.

**Q.3. Ramesh sold goods to Rajesh on credit for Rs. 20,000. Rajesh accepted a bill of Rs. 20,000 for 3 months, drawn by Ramesh on the same date**

**On the due date Rajesh dishonoured his acceptance. Then Rajesh approached Ramesh and requested for renewal of the bill.**

**Ramesh agreed on the condition that Rajesh should pay Rs. 10,000 in cash and accept a new bill for 2 months for the balance amount plus interest Rs. 200.**

**The new bill was drawn by Ramesh and accepted by Rajesh.**

**However one month before the due date Rajesh retired his acceptance by paying Rs. 9,900.**

**Pass necessary journal entries in the books of Ramesh.**

Q.2. Rushikesh owed Rs. 10,000 to Sanjay, Rushikesh accepted a bill drawn by Sanjay for the amount at 3 months. Sanjay discounted the bill with bank @ 6% p.a. Before the due date, Rushikesh approached Sanjay with a request to renew the bill.

Sanjay agreed on the condition that Rs. 6,000 to be paid immediately along with interest on remaining amount of 12% p.a. for 3 months and for the balance. Rushikesh should accept new bill for 3 months. These arrangements were carried through. Sanjay deposited new bill with his bank for collection. Rushikesh met the bill on due date.

Pass Journal Entries in the books of Sanjay & Rushikesh.

**Q.3. On 8<sup>th</sup> July, Amitabh sold goods to Akshay worth Rs. 18,000 and draws upon the later a bill for three months which was duly accepted. The bill was discounted with the bank at 10% p.a. On the due date, the bill was dishonoured and noting charges of Rs. 50 was paid. Akshay paid Rs. 2,000 and the noting charges and accepted a new bill for 2 months at 12% p.a. interest. The new bill was dishonoured on the due date due to insolvency only 50 paise per rupee was collected as first and final dividend. Pass Journal Entries in the books of Amitabh and prepare Amitabh's Account.**

Q.2. Madhav accepted a bill of Rs. 40,000 drawn by Kashinath at 3 months. Kashinath got the bill discounted with his bank for Rs. 39,000. Before the due date, Madhav approached Kashinath for renewal of the bill. It was agreed to pay Rs. 30,000 immediately together with interest on the remaining amount at 10% p.a. for 3 months and for the balance Madhav accepted a new bill for 3 months. These arrangements were carried through. But afterwards Madhav became insolvent. Only 35% of the amount could be recovered from his estate. Pass necessary Journal Entries and Prepare Kashinath's A/c in the books of Madhav

**Q.3. Journalise the following transactions in the books of Avadhoot.**

- (a) Nandini informs Avadhoot that Nisha's acceptance for Rs.5,000 endorsed to Nandini has been dishonoured. Noting charges amounted to Rs.100.**
- (b) Dhanashri renews her acceptance to Avadhoot for Rs.2,400 by paying Rs.1,200 in cash and accepting a new bill for the balance plus interest at 12% p.a. for 3 months.**
- (c) Honagedkar's acceptance to Avadhoot Rs.6,000 retired one month before its due date at a discount of 20% p.a.**
- (d) Bank informs to Avadhoot that the dishonour of Shashikala's acceptance for Rs. 4,000 discounted with the bank. Noting charges amounted to Rs.70.**
- (e) Avadhoot sent a bill of pravin for Rs.6,000 to the bank for collection.**