

National Institute of Open Schooling (NIOS)
Senior Secondary
Worksheet-11

L-11 BILLS OF EXCHANGE

- 1 Explain the concept of bill of exchange. Also explain its features.
2. Your friend Suraj got the bill of exchange from Rohit. Explain to him the different parties involved in it.
3. Promissory Note is an unconditional undertaking in writing by the maker to pay the specified amount to the specified person or to the bearer of the promissory note. In the light of the statement, elaborate the salient features of a Promissory Note. Also, prepare the specimen of it.
4. How would you explain the difference between the bill of exchange and promissory note to your friend?
5. Shikha sold goods to Bishal for Rs. 2,000. Bishal accepts two bills of Rs.1, 000 each for 3 months. Shikha endorsed one bill to Ankita. On the due date both bills are met. Pass the entries in the books of Shikha and Bishal .
6. What do you understand by the dishonour of a bill.How do we will give the effect of dishonour of a bill in books of both the parties.
7. Discuss the effect of insolvency of the acceptor. Also, explain the entries relating to insolvency in the books of both the parties.
8. Vinay received from Mohan an acceptance for Rs.5, 000 on 1st September, 2019 at 3 months. Vinay got the acceptance discounted at 10% p.a. from his bank. On the due date, Mohan paid the required amount. Give the Journal entries in the books of Vinay and Mohan.
9. Akshay sold goods to the value of Rs 20,000 to Shubham, taking a bill at 3 months, therefore dated 1st July, 2019. On 4th August, Akshay discounted the bill at 5% p.a. with his bankers. At maturity the bill was renewed and drew another bill dishonored, Shubham paid Rs. 3,000 and noting charges and accepted another bill at 3 months for Rs.10, 000 at 6% interest, but before maturity he had become insolvent, and ultimately paid his creditors 75 paise in the rupee. Make the entries in Akshay's Journal recording the above transactions.
10. Explain the procedure to be followed for recording the bill transactions in the books of the both drawer/creditor and drawee/ acceptor/debtor in a comparative form.