

**DELHI PUBLIC SCHOOL  
BOKARO STEEL CITY****Class: XI****Subject : Accountancy****Assignment No. 2**

1. A bill for Rs. 1,000 is drawn by A on B and accepted by the latter payable at the New Bank of India. Show what entries should be passed in the books of A under each of the following circumstances:
  - a. If A retained the bill till the due date and then realised it on maturity.
  - b. If A discounted it with his bankers for Rs. 950.
  - c. If A endorsed it to his creditor C in full settlement of his debt.
  - d. If A sent it to his bankers for collection.Also, give the necessary entries in each of the cases if the bill is dishonoured.
2. On 1-1-09 for goods sold, Ramesh drew a Bill of Exchange on Mahesh for Rs.4,000, for a period of 3 months. Mahesh accepts it and returns to Ramesh. Ramesh then endorses it to Mukesh who in turn endorses it to Suresh on 1-2-09. The bill is then discounted by Suresh on the same date with his banker at 5% p.a. On the due date the bill is dishonoured. Pass the necessary Journal entries in the books of all the four parties.
3. On 1-1-09 Mr. X sold goods to Mr. Y for Rs. 4,500 on credit & drew 3 bills on him: first bill for Rs. 1,000 for 1 month, second bill for Rs. 1,500 for 2 months & third bill for Rs. 2,000 for 3 months. Mr. Y accepted and returned all the bills to Mr. X. The first bill was retained by Mr. X till the date of maturity. Second bill was endorsed to his creditor Mr. Z on 3-1-09 & third bill was sent to bank for collection on 4-1-09. On maturity all the bills were dishonoured & noting charges amounted to Rs. 10, Rs. 15 & Rs. 20 respectively. Give the Journal entries in the books of X, Y & Z.
4. On 15-6-09, X sold to Y goods to the value of Rs. 1,500 drawing upon the latter two bills, one for Rs. 1,000 payable 2 months after date & other for Rs. 500 payable 3 months after date. X discounted the first bill with his bankers at 6% p.a. & endorsed the second bill in favour of his creditor, Z. The first bill was met on maturity but the second was dishonoured. Z paid Rs. 5 as noting charges. On 1st Oct., Y cleared his account to X by paying Rs. 510 which included Rs. 5 as interest. Record the necessary Journal entries in the books of both X and Y.
5. Ravi Shastri could not agree the Trial Balance. He transferred to the Suspense Account amount of Rs.296, being excess of the debit side total. The following errors were subsequently discovered:-
  - a. Sales Book was overcast by Rs.300;
  - b. Purchase of furniture for Rs.615 passed through Purchase Book;
  - c. An amt of Rs.55 received from Yograj Singh was posted to his account as Rs.550
  - d. Purchase Return Book total on a folio was carried forward as Rs.221 instead of Rs.112;
  - e. A cash sale of Rs.1,235 duly entered in the Cash Book but posted to Sales Account as Rs.235;&
  - f. Rest of the difference was due to incorrect total in the Salaries Account in the Ledger.Give journal entries to rectify the above & prepare Suspense Account.
6. The trial balance of Shri Govind shows a difference of Rs.500, the credit side being in excess. The difference is subsequently found due to the following mistakes:
  - a. The purchase of an office table costing Rs.2,000 had been passed through the Purchases Day Book.
  - b. A motor car had been purchased for Rs.3,400. Cash had been correctly credited but the Motor Car Account had been debited with Rs.3,140 only.
  - c. Interest on deposits received Rs.60 had been debited in the Cash Account, but had not been credited to the Interest Account.
  - d. The balance in the account of Mr. Rahim Rs.100 had been written off as bad but no other

account had been debited

e. A debit balance of Rs.200 on the personal account of Mr. John (correctly shown in the Ledger) had been omitted when extracting a Trial Balance. Give the necessary journal entries & show the suspense account

7. How would you rectify the following errors discovered after the preparation of the Trial Balance: -
- a. A cheque for Rs.12,500 received as insurance claim for loss of goods in transit at the time of impost was deposited by the proprietor into his Private Bank Account. The full value of the invoice was passed through Book.
  - b. A purchase of Rs.500 from A & Co, on the last date of the year was taken into stock, but the invoice was not passed through the Purchase Book.
  - c. Sale of goods on approval amounting to Rs.300 was included in Sales Account, out of which goods to the value of Rs.125 were returned. No record of the return was made in the books, though the returned goods were included in the stock at their cost of Rs.100.
  - d. A typewriter which stood in the books at Rs.2,000 was sold for Rs.1,250 in part exchange of a new typewriter costing Rs.6,250 and net invoice of Rs. 5,000 was passed through the Purchases Book.
  - e. Four per cent G.P. Notes of the face value of Rs.5,000 purchased through Lakhotia at 96% ex-dividend, brokerage Rs.25. Accrued interest to date of purchase was Rs.130. The total payment of Rs.4,955 stands debited in the banks in the name of the broker Lakhotia.

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