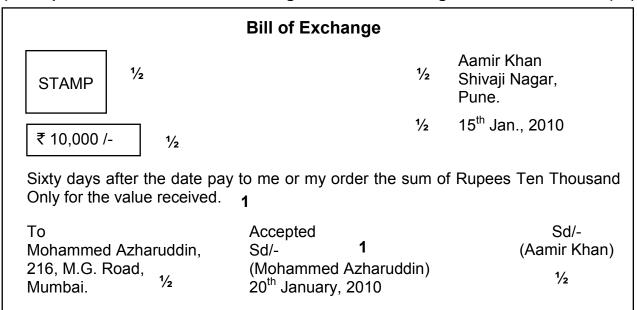
SOLUTION BILLS OF EXCHANGE / DISSOLUTION

Q.1 (A) Write the word / term / phrase which can substitute each of the statement: (05)

- 1. Endorsee.
- 2. Discounting of bill.
- 3. Foreign bill.
- 4. Due Date.
- 5. Grace Days.

(B) Prepare a Format of Bill of exchange from the following information: (05)



Q.2. <u>In the books of Minal (Drawer)</u> Journal Entries

			L.	Debit	Credit	
Date	Particulars		F.	Amt./₹	Amt./₹	
1.	Bills Receivable A/c	Dr.		5,000		
	To Usha's A/c				5,000	1
	(Being acceptance received from Usha)					
2.	Cash / Bank A/c	Dr.		4,850		
	Discount A/c	Dr.		150		
	To Bills Receivable A/c				5,000	2
	(Being Usha's acceptance discounted with Bank)					
3.	Usha's A/c	Dr.		5,000		
	To Bank A/c				5,000	1
	(Being Usha's acceptance cancelled)					
4.	Usha's A/c	Dr.		25		
	To Interest A/c				25	1
	(Being Interest due on renewal)					

		TOTAL	23,075	23,075	
	(Being Usha retired her acceptance at a disco	unt)			
	To Bills Receivable A/c			3,025	1
	Rebate / Discount A/c	Dr.	10		
6.	Cash / Bank A/c	Dr.	3,015		
	(Being part payment and new acceptance rece	eived)			
	To Usha's A/c			5,025	1
	Bills Receivable A/c	Dr.	3,025		
5.	Cash / Bank A/c	Dr.	2,000		

In the books of Usha (Drawee)

Dr. Minal's Account Cr.

	Date		J.	Amt.	Date		J.	Amt.	
		Particulars	F.	(₹)		Particulars	F.	(₹)	
1/2		To Bills Payable A/c		5,000		By Balance b/d		5,000	1/2
1/2		To Cash / Bank A/c		2,000		By Bills payable A/c		5,000	1/2
1/2		To Bills Payable A/c		3,025		By Interest A/c		25	1/2
				10,025				10,025	

Q.3 (A) Write the word/term/phrase which can substitute each of the following statements.

1. Loss on Realization.

2. Realization Account

3. Capital Deficiency

4. Realization

5. Unrecorded Assets

(B) State whether the following statements are true or false.

1. Realization A/c.

2. Profit Sharing Ratio.

3. Realization A/c.

4. Book

5. Credited

Q.4. In the books of M/s. Sharma and Varma

Dr. Realization Account Cr.

	Particulars	Amt. (₹)	Amt. (₹)	Particulars	Amt. (₹)	Amt. (₹)	
1	To Sundry Assets A/c			By R.D.D. A/c		1,000	1/2
	Stock	25,000		By Sundry Liabilities A/c			
	Furniture	30,000		Creditors	10,000		1/2
	Investments	10,000		Bills Payable	1,500		
	Machinery	30,000		Outstanding Expense	500	12,000	
	Buildings	15,000		By Sharma's Capital A/c			1/2
	Debtors	8,000	1,18,000	(Investments)		9,200	
1/2	To Varma's Capital A/c			By Varma's Capital A/c			1/2
	(Bills Payable)		1,500	(Furniture)		28,000	
1	To Banks A/c			By Bank A/c			1
	Creditors	9,700		Stock	24,500		
	Outstanding Expenses	500		Debtors	7,500		
	Dissolution Expenses	1,400	11,600	Machinery	28,000		
				Buildings	14,000	74,000	
				By Partners Capital A/c			1
				(Loss on Realisation)			
				Sharma	4,140		

J K SHAH CLASSES

CLASS ROOM TEST

		Varma	2,760	6,900	
	1,31,100			1,31,100	

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	Particulars	Sharma	Varma	Particulars	Sharma	Varma	
		(₹)	(₹)		(₹)	(₹)	
1/4	To Realisation A/c	9,200	28,000	By Balance b/d	50,000	50,000	1/4
1/4	To Realisaion A/c (Loss)	4,140	2,760	By Reserve Fund A/c	6,000	4,000	1/2
1/2	To Bank A/c	42,660	24,740	By Realisation A/c	-	1,500	1/4
		56,000	55,500		56,000	55,500	

	Particulars	Amt. (₹)	Amt. (₹)	Particulars	Amt. (₹)	Amt. (₹)	
1/4	To Balance b/d		6,000	By Realisation A/c		11,600	1/4
1/4	To Realisation A/c		74,000	By Sharma's Loan A/c		1,000	1/4
				By Partners Capital A/c			
				Sharma	42,660		1/2
				Varma	24,740	67,400	
			80,000			80,000	