

★ Journal entries in the books of Drawer.

1] When goods sold on credit :-

Drawee A/c DR

To Sale A/c

[Being goods sold on credit]

2] When bill drawn and accepted :-

Bills Receivable A/c DR

To Drawee A/c

[Being bill drawn & accepted]

3]

★ Retained bill :-

3] When Retained bill honoured :-

Cash / Bank A/c DR

To Bills Receivable A/c

[Being bill is honoured]

4] When Retained bill Dishonoured :-

Drawee A/c DR

To Bills Receivable A/c

[Being Retained bill Dishonoured]

5] When Noting charges paid by Drawer :

Drawee A/c DR

To Cash / Bank A/c

[Being Noting charges paid by Drawer]