BILLS OF EXCHANGE JOURNAL ENTRIES

In the books of drawer				**In the books of drawee**
I. For sale of goods by drawer to drawee				
	Drawee To sales			Purchase To drawer
II. For acceptance of bill by drawer				
	Bills Receivable To drawee			Drawer To bills payable
III. For use of bill by:-				
RETAINING -	**DISCOUNTING** -	**ENDORSEMENT** -	**BANK FOR COLLECTION** -	
No Entry	Bank Dis To B/R	Endorsee To B/R	BFC To B/R	No Entry
HONOURING OF BILL BY DRAWEE				
C/B To B/R	No Entry	No Entry	Bank Bank Charges To BFC	Bills Payable To C/B
DISHONOURING OF BILL BY DRAWEE				
Drawee (Bill + Nc) To B/R (Bill) To C/B (NC)	Drawee (Bill + Nc) To Bank (Bill + NC)	Drawee (Bill + Nc) To Endorsee(Bill + Nc)	Drawee (Bill + Nc) To BFC (Bill) To Bank (NC)	Bills Payble Noting Charges To Drawer

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RENEWAL OF BILL (CIPA)

In the books of Drawer		**In the books of Drawee**	
C- Cancellation of Bill (Same as Dishonour)			
I- Interest(Expense for Drawee, Income for Drawer)			
C/B To Interest	Drawee To Interest	Interest To C/B	Interest To Drawer
P- Part Payement made by Drawee To Drawer			
C/B To Drawee		Drawer To C/B	
A- Acceptance of Frsh Bil By Drawee			
B/R (New) To Drawee		Drawer To B/P (New)	

<u>**NOTE:- INTEREST IS CALCULATED ON BALANCE AMOUNT**</u>

<u>**FOR THE EXTENDED PERIOD**</u>

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INSOLVENCY OF DRAWEE (CR)

C-Cancellation (Same as Dishonour)	
R- Receiving Full and Final Dividend	
C/B Bad Debts To Drawee	Drawer To C/B To Deficiency

RETIREMENT OF BILL

C/B Rebate To B/R	B/P To C/B To Discount

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