**QUESTION :**

A friend of mine runs a bicycle shop and he narrated to me this following story:  
A man, who looked like a tourist, came to his shop one day and bought a bicycle from him for Rs. 350. The cost price of the bicycle was Rs. 300. So my friend was happy that he had made a profit of Rs. 50 on the sale. However, at the time of settling the bill, the tourist offered to pay in travelers cheques as he had no cash money with him. My friend hesitated. He had no arrangements with the banks to encash travelers cheques. But he remembered that the shopkeeper next door had such a provision, and so he took the cheques to his friend next door and got cash from him.  
The travelers cheques were all made out for Rs. 100 each and so he had taken four cheques from the tourist totaling to Rs. 400! On encashing them my friend paid back the tourist the balance of Rs. 50.  
The tourist happily climbed the bicycle and pedaled away whistling a tune.  
However, the next morning my friend's neighbor, who had taken the travelers cheques to the bank, called on him and returning the cheques which had proved value-less demanded the refund of his money. My friend quietly refunded the money to his neighbour and tried to trace the tourist who had given him the bad cheques and taken away his bicycle. But the tourist could not be found.  
How much did my friend lose altogether in this un-fortunate transaction ?

**ANSWER :**

350 rupees.

**STRATEGY :**

Taking the most simple case..the shopkeeper had only one cycle(cost 300) at dat time and had zero cash.when he cashed 4 cheques from his neighbour he had 400 rs cash,from which he gave 50 rs and the cycle to tourist thus leaving him with 350 rs.but suddenly neighbour comes and demand rs 400 thus leaving him with (-50)...Therefore at the end of transaction he lost a total of 350 rs(300 cycle+50 rs cash)

In the whole transaction the neighbour shopkeeper did not lose anything.So for the whole transaction loss of friend will be equal to gain of tourist..the tourist didnt pay anything:got a bicycle(Rs300) and Rs50 cash...so net loss to the shopkeeper friend = Rs350.