**Practice 1**

On 1 June Year 1, Li Huei sold goods to Moon on credit for RM 5,000. The debt was settled on the same date by cheque RM 1,200, a two-month bill (Bill 1) for RM 1,800 and a three-month bill (Bill 2) for the balance.

Bill 1 was met on maturity, while Bill 2 was dishonoured. Noting charges of RM 20 were incurred and a new bill (Bill 3) at two months was drawn with interest of RM 15 per month for the extended period of credit.

You are required to prepare Journal entries and Ledger accounts in the books of Li Huei to record the above transactions.