**Practice 3**

On 2 February Year 3, Kok sold goods to Zheng on credit for RM 8,000 and Zheng accepted a bill (Bill 1) for the amount at two months.

On 5 February Year 3, Kok negotiated Bill 1 to his creditor Ellis to whom RM 10,000 was owed.

On the due date, Zheng asked for a longer time to pay the debt. Thus a new bill (Bill 2) was drawn on Zheng who duly accepted the bill. Bill 2 was payable in two months plus noting charges of RM 20 and interest of RM 5 per month.

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