**Question 4**

Zara is a retailer. On 1 September 2022, he had the following balances:

Purchases Ledger: Sales Ledger:

Andy RM 6,800 Coe RM 3,500

B5en RM 5,000 Dali RM 9,000

The following transactions took place during the last quarter of 2022:

|  |  |  |
| --- | --- | --- |
| Sept | 1 | Received a two-month bill (**Bill 1**) for RM 6,700 from Andy in full settlement of the amount due. |
|  | 3 | Dali paid part of his debts for RM 5,850 by cheque and duly accepted a bill (**Bill 2**) for a period of 30 day. |
|  | 4 | Discounted **Bill 2** with the bank at a charge of RM 150. |
|  | 5 | Bought goods from Andy amounted to RM 4,000. |
|  | 10 | Andy discounted **Bill 1** at his bank for RM 6,600. |
|  | 20 | Issued a two-month bill (**Bill 3**) to Coe in payment of account. Later, endorsed the bill to Andy in part settlement of the debt. |
| Oct | 1 | Accepted a one-month bill (**Bill 4**) from Ben for the outstanding amount. |
|  | 3 | Bill 2 was met on maturity. |
|  | 20 | The drawee of **Bill 4** decided to retire the bill and was allowed a discount of RM 50. |
| Nov | 1 | Zara unable to pay **Bill 1** and incurred a noting charge of RM 200. |
|  | 2 | Zara immediately settled all the debts by cheque. |
|  | 20 | Coe asked for more time to pay **Bill 3**. A noting charge of RM 80 was paid. |
|  | 21 | Coe agreed to accept a new bill (**Bill 5**) with a due date of 30 days plus an interest of RM 20. The bill was kept until maturity. |
|  | 21 | A bank draft was sent to Andy to settle the outstanding amount. |
|  | 30 | Coe paid **Bill 5** before due date and a rebate of RM 100 was given. |

**You are required to** prepare the Journal entries to record all the above transactions in the books of Zara.

**Remark:** Narrations are **not** required and ignore days of grace.