

Chapter - 8 Bills of Exchange

Question 1

What are the two most used negotiable instrument

Answer: The two most used negotiable instrument is.

- Bill of exchange
- Promissory Note

Question 2

What is the bill of exchange

Answer: Bill of exchange is a written document signed by the head of the department or the makers guiding them to pay a certain amount for the order of a certain individual or the bearer of the device.

Question 3

Explain the characteristics of the bill of exchange

Answer: The characteristics of the bill of exchange are.

- A bill of exchange should be in writing
- The order must be unconditional
- The date of payment must be a fixed date
- It should be signed by the drawee of the bill
- It should be signed by the drawer of the bill

Question 4

Is bill of exchange drawn by the debtor?

Answer: No, the bill of exchange is not drawn by a debtor

Question 5

Does promissory note require acceptance?

Answer: No, the promissory note does not require acceptance as it is already a valuable device.

Question 6

What is the date of maturity of a bill of exchange?

Answer: The date of maturity of a bill of exchange is the date on which the bill becomes due for payment.

Question 7

What is the date of maturity of a bill of exchange? Calculate the due date of a bill of exchange written on July 13, 2017, for 30 days.

Answer: The date of maturity will be August 14, 2017.

Question 8

What is nothing of the bill of exchange?

Answer: The dishonor of the bill by the public is referred to as nothing of the bill of exchange.

Question 9

What is a bill called draft?

Answer: Before its acceptance.

Question 10

Liability for a discounted bill is a

1. Contingent Liability
2. Fixed Liability
3. Current Liability
4. None of the above

Answer: Contingent Liability

Question 11

Nothing charges are borne by

1. Drawer
2. Drawee
3. Payee
4. Bank

Answer: Drawee

Question 12

What account will be credited when discounted bill is dishonoured?

1. Drawer's Account
2. Drawee's Account
3. Endorsee's Account

4. Bank Account

Answer: Bank Account

Question 13

On a public holiday, the due date of a bill will be due on.

1. One day after the due date
2. Public holiday
3. One day before the due date
4. None of the above

Answer: One day before the due date

Question 14

Bill of exchange is a conditional order to pay

Answer: False

Question 15

A promissory note is drawn and signed by the debtor

Answer: True