

Questions & Answers Test Paper
On
Financial Mathematics/Advanced Business Calculations
“ TOPIC- BILLS OF EXCHANGE ”



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FINANCIAL MATHEMATICS	
QUESTIONS ON BILLS OF EXCHANGE	
1	A Bill of Exchange for \$4,000 was drawn on 1 January 1980 for six months and discounted on 5 February 1980. Calculate the Banker's Discount at 12% per annum
2	(a) What is the Banker's Discount on a Bill Of Exchange for \$4,000 for four months drawn on 1 July and discounted by the bank on 23 August at 10% per annum (b) What is its Present Value?
3	An exporter draws a Bill of Exchange on his overseas customer on 1 July for \$10,000 for three months. He discounts the Bill with his bankers on 23 July at 8% per annum (a) how much does the exporter receive for the discounted Bill? (b) If the sum received from the bank had been \$40 more, what would have been the rate of discount (allow three days of grace)
4	Find the discountable value of the bill for \$438 drawn on 5 th April at 6 months and discounted on the 14 th June at 6%
5	How much Mr. A receive for a bill of \$584, drawn on the 3 rd October at 3 months and discounted on the 1st November at 8% ?
6	Mr. A received \$442.80 for a bill of \$450 which had 146 days to run. Find the rate of discount.
7	Find the true discount of a bill of \$500 for 3 months, discounted at 7 ½ % per annum, 30 days before it is due.
8	Find the difference between the true discount and the banker's discount on a 90-day bill for \$800, drawn on the 8 th March and discounted on the 28 th March at 7%

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FINANCIAL MATHEMATICS ANSWERS ON BILLS OF EXCHANGE	
1.	\$192.80
2.	(a) \$76.71 (b) \$3,924.73
3.	(a)\$9,840 (b) 6%
4.	\$429.65
5.	\$575.55
6.	4%
7.	\$3.06
8.	\$0.14

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