

## Section 4.

Ques) Explain kinds of bills  
exp' exchange. What do you  
mean by hundis. Explain  
the meaning of cheque.  
Give its features and types.

Ans

Bill of exchange means a bill drawn by a person who directs another person to pay the specified sum of money to another person.

Types of Bills of exchange -

- (i) Documentary bills of exchange.
- (ii) Demand bill.
- (iii) Usance bill.
- (iv) Inland bills.
- (v) Clean bill.
- (vi) Foreign bills.
- (vii) Accommodation bill.
- (viii) Trade bill.
- (ix) Supply bills.
- (x) Fictitious bill.
- (xi) Hundis.

Hundis :- These are promissory notes and bills of exchange which is indigenous in nature that is usually used for agricultural financing.

and inland trade.

Cheque:- It is a document that orders a bank to pay a specific amount of money from a person's account to the person in whose name the cheque has been issued. The person writing the cheque, known as the drawer, has a transaction banking account where their money is held.

• Features of a cheque-

A cheque should be in writing and properly signed by the drawer.

A cheque contains an unconditional order.

A cheque issued on a specified banker only.

The amount specified is always certain and should be clearly mentioned both in figure and words.

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There are various types of cheques that can be issued. Given below is the list of the various cheque types:-

- Bearer cheque
- Order cheque
- Crossed cheque
- Account payee cheque
- Stale cheque
- Post Dated cheque
- Ante Dated cheque
- Self cheque
- Traveler's cheque
- Mutilated cheque
- Blank cheque