

# VIDYA BHAWAN BALIKA VIDYA PITH

शक्तिउत्थानआश्रमलखीसरायबिहार

Class 12 commerce Sub. ACT Date 17.11.2020

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## Issue and Redemption of Debentures

### Illustration 5

X Ltd. Issued Rs.10,000, 12% debentures of Rs.100 each payable Rs.40 on application and Rs.60 on allotment. The public applied for Rs.14,000 debentures. Applications of 9,000 debentures were accepted in full; applications for 2,000 debentures were allotted 1,000 debentures and the remaining application, were rejected. All money was duly received. Journalise the transactions.

### Solution

#### Books of X Limited Journal

Date	Particulars	L.F.	Debit Amount (Rs.)	Credit Amount (Rs.)
	Bank A/c Dr. To 12% Debenture Application A/c (Receipt of application money on 14,000 debentures)		5,60,000	5,60,000
	12% Debenture Application A/c Dr. To 12% Debentures A/c (Transfer of application money on 10,000 debentures on allotment)		4,00,000	4,00,000
	12% Debenture Application A/c Dr. To Bank A/c (Application money on rejected applications refunded)		1,20,000	1,20,000
	12% Debenture Allotment A/c Dr. To 12% Debentures A/c (Amount due on allotment on 10,000 debentures)		6,00,000	6,00,000

	Bank A/c	Dr.		5,60,000	
	Debenture Application A/c	Dr.		40,000	
	To Debenture Allotment A/c				6,00,000
	(Surplus application money on 1,000 debentures transferred to debenture allotment account and the balance due was received)				