

# VIDYA BHAWAN BALIKA VIDYA PITH

शक्तिउत्थानआश्रमलखीसरायबिहार

Class 12 commerce Sub. ACT Date 24.11.2020

Teacher name – Ajay Kumar Sharma

## Issue and Redemption of Debentures

Illustration 8

National Packaging company purchased assets of the value of Rs. 1,90,000 from another company and agreed to make the payment of purchase consideration by issuing 2,000, 10% debentures of Rs. 100 each at a discount of 5%. Record necessary journal entries.

*Solution*

### Books of National Packaging Limited Journal

Date	Particulars	L.F.	Debit Amount (Rs.)	Credit Amount (Rs.)
	Sundry Assets A/c Dr. To Vendors (Assets purchased from vendors)		1,90,000	1,90,000
	Vendors Dr. Discount on Issue of Debenture A/c Dr. To 10% Debentures A/c (Allotment of debentures - 2,000 debentures of Rs. 100 each at a discount of 5% as purchase consideration)		1,90,000 10,000	2,00,000