

VIDYA BHAWAN BALIKA VIDYA PITH

शक्तिउत्थानआश्रमलखीसरायबिहार

Class 12 commerce Sub. ACT Date 09.01.2021

Teacher name – Ajay Kumar Sharma

Issue and Redemption of Debentures (H.W)

Question 7:

X.Ltd. invites application for the issue of 10,000, 14% debentures of Rs 100 each payable as to Rs 20 on application, Rs 60 on allotment and the balance on call. The company receives applications for 13,500 debentures, out of which applications for 8,000 debentures are allotted in full, 5,000 only 40% and the remaining rejected. The surplus money on partially allotted applications is utilised towards allotment. All the sums due are duly received.

ANSWER:

Books of X. Ltd.

Journal

Date	Particulars	L.F.	Debit Amount Rs	Credit Amount Rs
	Bank A/c Dr. To 14% Debenture Application A/c (14% Debenture application money for 13,500 debentures @ 20 each received)		2,70,000	2,70,000
	14% Debenture Application A/c Dr. To 14% Debenture A/c To 14% Debenture Allotment A/c To Bank (14% Debenture Application money of 10,000 @ Rs 20 each transferred to 14% Debentures Account and 500 debentures were rejected and returned and rest of the amount adjusted on allotment)		2,70,000	2,00,000 60,000 10,000

14% Debenture Allotment A/c To 14% Debenture A/c (14% Debenture Allotment money due on 10,000 debentures @ Rs 60 each)	Dr.	6,00,000	6,00,000
Bank A/c To 14% Debenture Allotment A/c (14% Debenture Allotment money received)	Dr.	5,40,000	5,40,000
14% Debenture First and Final Call A/c To 14% Debenture A/c (14% Debenture First and Final Call money due on 10,000 debentures @ 20 each)	Dr.	2,00,000	2,00,000
Bank A/c To 14% Debenture First and Final Call A/c (14% Debenture First and Final Call money received on 10,000 debentures @ Rs 20 each)	Dr.	2,00,000	2,00,000

Question 8:

R.Ltd. offered 20,00,000, 10% Debenture of Rs 200 each at a discount of 7% redeemable at premium of 8% after 9 years. Record necessary entries in the books of R. Ltd.

ANSWER:

Books of R.Ltd.

Journal

Date	Particulars	L.F.	Debit Amount Rs	Credit Amount Rs
	Bank A/c Dr. To 10% Debenture Application & Allotment A/c (Debenture Application and Allotment money received for 20,00,000 10% Debentures @ Rs 200 each)		37,20,00,000	37,20,00,000
	10% Debenture Application and Allotment A/c Dr. Loss on Issue of Debenture A/c Dr. Discount on Issue of Debentures A/c Dr. To 10% Debenture A/c To Premium on Redemption of Debentures A/c (Allotment of 20,00,000 debenture @ Rs 200 each at 7% discount with the term of 8% premium on redemption)		37,20,00,000 3,20,00,000 2,80,00,000	40,00,00,000 3,20,00,000