

Solution:

(1)

The following is the amounts the classes of bonds would receive:

- Mortgage Bonds -> \$11 million (highest priority among all of them)
- \$5.4 million divided proportionally amongst the Payable as well as Debentures
 - \$2.4 million to Accounts Payable
 - \$3 million to Debentures Payable

(2)

(a)

The following is the amounts the classes of bonds would receive:

- Mortgage Bonds -> \$11 million
- Accounts Payable -> \$4 million
- Subordinated Debentures -> \$1.4 million

(b)

The following is the amounts the classes of bonds would receive:

- Mortgage Bonds -> \$11 million
- Accounts Payable -> \$1.5 million
- Nothing left for subordinated debentures, hence.