



Q11. X.Ltd. purchased a Machinery from Y for an agreed purchase consideration of Rs.4,40,000 to be satisfied by the issue of 12% debentures of Rs.100 each at a premium of Rs.10 per debenture. Journalise the transactions.

Answer

Journal Entries

Date	Particulars	LF	Amt. (Dr)	Amt. (Cr)
(i)	Machinery A/c To Y (Being machinery purchased from Y)	Dr	4,40,000	4,40,000
(ii)	Y To 12% Debenture A/c	Dr	4,40,000	4,00,000
(iii)	To Securities Premium A/c (Being issued 4,000 debentures at premium of 10%)			40,000

Working Note Amount payable to Y = ₹ 4,40,000

Number of debentures to be issued at 10% premium = $\frac{4,40,000}{110}$
= 4,000 Debentures

***** END *****