NUMERICAL PROBLEMS

Q1. G.Ltd. issued 75,00,000, 6% Debenture of Rs.50 each at par payable Rs.15 on application and Rs.35 on allotment, redeemable at par after 7 years from the date of issue of debenture. Record necessary entries in the books of Company.

Solution:

Journal Entries

Date	Particulars	LF	Amt. (Dr)	Amt. (Cr)
(i)	Bank A/c Dr		11,25,00,000	
	To 6% Debenture Application A/c			11,25,00,000
	(Being application money @ ₹ 15 each received for 75,00,000 debentures)			
(ii)	6% Debenture Application A/c Dr		11,25,00,000	
	To 6% Debenture A/c			11,25,00,000
	(Being application money of 75,00,000 debentures transferred to 6% debentures account)			

Date	Particulars	LF	Amt. (Dr)	Amt. (Cr)
(iii)	6% Debenture Allotment A/c Dr		26,25,00,000	
	To 6% Debenture A/c			26,25,00,000
	(Being allotment money @ ₹ 35 each due for 75,00,000 debentures)			
(iv)	Bank A/c Dr		26,25,00,000	
	To 6% Debenture Allotment A/c			26,25,00,000
	(Being allotment money received @ ₹ 35 each on 75,00,000 debentures)			

Note *The entries for issue of debentures are same as that of shares with only difference that 'capital' word is not used.*

*********** END **********