



Q5. A.Ltd. issued 4,000, 9% Debentures of Rs.100 each on the following terms:

Rs.20 on Application;

Rs.20 on Allotment;

Rs.30 on First call; and

Rs.30 on Final call.

The public applied for 4,800 Debentures. Applications for 3,600 Debentures were accepted in full. Applications for 800 Debentures were allotted 400 Debentures and applications for 400 Debentures were rejected.

Solution:

Books of A. Ltd. Journal Entries				
Date	Particulars	L.F.	Debit ₹	Credit ₹
	Bank A/c To 9% Debenture Application A/c (Being 9% debentures application money received on 4,800 debentures @ ₹20 each)	Dr.	96,000	96,000
	9% Debenture Application A/c To 9% Debenture A/c To 9% Debenture Allotment A/c To Bank A/c (Being 9% Debentures application money of 4000 debenture transferred to Debentures Account, 400 debentures rejected returned and remaining amount adjusted on allotment)	Dr.	96,000	80,000 8,000 8,000
	9% Debenture Allotment A/c To 9% Debentures A/c (Being 9% Debentures allotment due on 4,000 Debentures @ ₹20 each)	Dr.	80,000	80,000
	Bank A/c To 9% Debenture Allotment A/c (Being 9% Debentures allotment money received)	Dr.	72,000	72,000
	9% Debenture First Call A/c To 9% Debenture A/c (Being 9% Debentures first call due on 4000 debentures @ ₹30 each)	Dr.	1,20,000	1,20,000
	Bank A/c To 9% Debenture First Call A/c (Being 9% Debentures debenture first call received for 4,000 debentures @ ₹30 each )	Dr.	1,20,000	1,20,000
	9% Debenture Final Call A/c To 9% Debenture A/c (Being 9% Debentures final call due on 4000 debentures @ ₹30 each)	Dr.	1,20,000	1,20,000
	Bank A/c To 9% Debenture Final Call A/c (Being 9% Debentures debenture final call received for 4,000 debentures @ ₹30 each )	Dr.	1,20,000	1,20,000

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