



Q8. 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.
Solution:

Journal Entries

Date	Particulars	LF	Amt. (Dr)	Amt. (Cr)
(i)	Bank A/c Dr To 10% Debenture Application and Allotment A/c (Being debenture application and allotment money received for 20,00,000, 10% debentures @ ₹ 200 each at 7% discount)		37,20,00,000	37,20,00,000
(ii)	10% Debenture Application and Allotment A/c Dr		37,20,00,000	
	Loss on Issue of Debenture A/c Dr		3,20,00,000	
	Discount on Issue of Debentures A/c Dr		2,80,00,000	
	To 10% Debenture A/c			40,00,00,000
	To Premium on Redemption of Debentures A/c			3,20,00,000
	(Being Allotment of 20,00,000 debenture @ ₹ 200 each at 7% discount with the term of 8% premium on redemption)			

***** END *****