



Q6. T. Ltd. offered 2,00,000, 8% Debenture of Rs.500 each on June 30, 2002 at a premium of 10% payable as Rs.200 on application (including premium) and balance on allotment, redeemable at par after 8 years. But application are received for 3,00,000 debenture and the allotment is made on pro-rata basis. All the money due on application and allotment is received. Record necessary entries regarding issue of debenture.

Answer:

Journal Entries

Date	Particulars	LF	Amt. (Dr)	Amt. (Cr)
(i)	Bank A/c Dr To 8% Debenture Application A/c (Being 8% debenture application money received for 3,00,000 debentures @ ₹ 200 each)		6,00,00,000	6,00,00,000
(ii)	8% Debenture Application A/c Dr To 8% Debenture A/c (2,00,000 × 150) To 8% Debenture Allotment A/c (1,00,000 × 200) To Securities Premium A/c (2,00,000 × 50) (Being 8% debenture application money of 2,00,000 debentures @ ₹ 200 each including ₹ 50 premium transferred to debenture account and rest of the amount adjusted on allotment)		6,00,00,000	3,00,00,000 2,00,00,000 1,00,00,000
(iii)	8% Debenture Allotment A/c Dr To 8% Debenture A/c (Being 8% debenture allotment on 2,00,000 debentures @ ₹ 350 due)		7,00,00,000	7,00,00,000
(iv)	Bank A/c Dr To 8% Debenture Allotment A/c (Being 8% debenture allotment money received)		5,00,00,000	5,00,00,000

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