



Q3. A.Ltd. issued 10,000, 10% Debentures of Rs.100 each at a premium of 5% payable as follows:
Rs.10 on Application;
Rs.20 along with premium on allotment and balance on First and Final call.
Record necessary Journal Entries.

Solution:

Journal Entries

Date	Particulars	LF	Amt. (Dr)	Amt. (Cr)
(i)	Bank A/c Dr To 10% Debenture Application A/c (Being Application money received for 10,000, 10% debentures application @ ₹ 10 each)		1,00,000	1,00,000
(ii)	10% Debenture Application A/c Dr To 10% Debenture A/c (Being application money @ ₹ 10 each transferred to 10% debenture account)		1,00,000	1,00,000
(iii)	10% Debenture Allotment A/c Dr To 10% Debentures A/c To Securities Premium A/c (Being allotment due @ ₹ 25 each including premium ₹ 5 on 10,000, 10% debentures)		2,50,000	2,00,000 50,000
(iv)	Bank A/c Dr To 10% Debenture Allotment A/c (Being allotment money received on allotment @ ₹ 25 each for 10,000 10% debentures)		2,50,000	2,50,000
(v)	10% Debenture First and Final Call A/c Dr To 10% Debenture A/c (Being first and final call @ ₹ 70 each on 10,000 10% debentures due)		7,00,000	7,00,000
(vi)	Bank A/c Dr To 10% Debenture First and Final Call A/c (Being debenture first and final call received @ ₹ 70 each for 10,000 10% debentures)		7,00,000	7,00,000

***** END *****