



Q4. A. Ltd. issued 90,00,000, 9% Debenture of Rs.50 each at a discount of 8%, redeemable at par any time after 9 years. Record necessary entries in the books of A. Ltd.

Solution:

**Answer**

**Journal Entries**

Date	Particulars	LF	Amt. (Dr)	Amt. (Cr)
(i)	Bank A/c Dr To 9% Debenture Application A/c (Being debenture application money received @ ₹ 46 each on 90,00,000 9% debentures)		41,40,00,000	41,40,00,000
(ii)	9% Debentures Application A/c Dr Discount on Issue of Debentures A/c Dr To 9% Debenture A/c (Being 9% debentures application money transferred to 9% debenture account)		41,40,00,000 3,60,00,000	45,00,00,000

**Note** A single compound entry can also be passed with Bank and discount on issue of debenture debit and 9% debentures account credit

\*\*\*\*\* END \*\*\*\*\*