

NUMERICAL PROBLEMS

Q1. G.Ltd. issued 75,00,000, 6% Debenture of Rs.50 each at par payable Rs.15 on application and Rs.35 on allotment, redeemable at par after 7 years from the date of issue of debenture. Record necessary entries in the books of Company. Solution:

Journal Entries

| Date | Particulars | | LF | Amt. (Dr) | Amt. (Cr) | | |
|------|---|----|----|--------------|--------------|--|--|
| (i) | Bank A/c To 6% Debenture Application A/c (Being application money @ ₹ 15 each received for 75,00,000 debentures) | Dr | | 11,25,00,000 | 11,25,00,000 | | |
| (ii) | 6% Debenture Application A/c To 6% Debenture A/c (Being application money of 75,00 debentures transferred to 6% debentures account) | | | 11,25,00,000 | 11,25,00,000 | | |

| Date | Particulars | | LF | Amt. (Dr) | Amt. (Cr) |
|-------|---|----|----|--------------|--------------|
| (iii) | 6% Debenture Allotment A/c To 6% Debenture A/c (Being allotment money @ ₹ 35 each due for 75,00,000 debentures) | Dr | | 26,25,00,000 | 26,25,00,000 |
| (iv) | Bank A/c To 6% Debenture Allotment A/c (Being allotment money received @ ₹ 35 each on 75,00,000 debentures) | Dr | | 26,25,00,000 | 26,25,00,000 |

Note The entries for issue of debentures are same as that of shares with only difference that 'capital' word is not used.