



ACCOUNTS

BOOKS - ARYA ACCOUNTS (HINGLISH)

REDEMPTION OF DEBENTURES

Mcq

1. As per SEBI Guidelines an amount equal to
..... Of the debenture issue must be

transferred to Debenture Redemption Reserve
before redemption begins.

A. A - 0.25

B. B - 0.8

C. C - 0.5

D. D - 1

Answer: C



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2. A company issuing debentures with a maturity period of not more than 18 months, in that case the creation of Debentures Redemption Reserve will be :

A. 50% of the amount of debentures issued

B. 25% of the amount of debentures issued

C. 100% of the amount of debentures issued

D. None of the above

Answer: D



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3. According to the guidelines issued by Securities and Exchange Board of India (SEBI) what percentage of the amount of debentures must be transferred to 'Debentures Redemption Reserve' before the commencement of redemption of debentures, in case of convertible debentures?

A. A - 0.25

B. B - 0.5

C. 1

D. Zero

Answer: D



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4. X Ltd.wants to redeem 5,000, 5% Debentures of Rs. 100 each at 5% premium. How much amount it must transfer to

Debenture Redemption Reserve, if it has already a balance of Rs. 1,00,000 in Debenture Redemption Reserve Account?

A. Rs. 4,00,000

B. Rs. 1,50,000

C. Rs. 2,00,000

D. Rs. 25,000

Answer: B



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5. A Company issuing debentures with a maturity period of not more than Need not create Debenture Redemption Reserve.

A. A - 2 months

B. B - 6 months

C. C - 12 months

D. D - 18 months

Answer: D



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6. Where is 'Debenture Redemption Reserve' transferred after the redemption of all debentures?

A. Capital Reserve Account

B. General Reserve Account

C. Statement of Profit and Loss

D. Sinking Funds Account

Answer: B



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