

India's Number 1 Education App

ACCOUNTS

BOOKS - ARYA ACCOUNTS (HINGLISH)

WRITING OFF DISCOUNT/LOSS ON ISSUE OF DEBENTURES

Illustration 1

1. On 1-4-2017, Fast Computer Ltd. Issued 20,000,

6% debentures of Rs. 100 each at a discount of

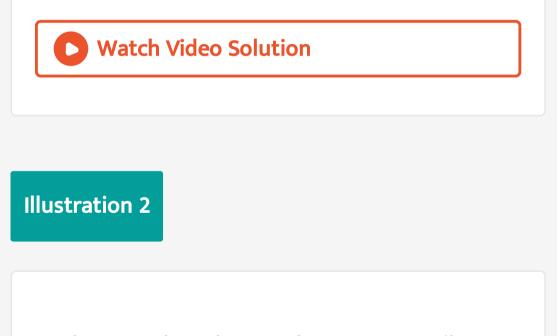
4% redeemable at a premium of 5% after three

years. The amount was payable as follows :

On application Rs. 50 per debenture.

Balance on allotment.

Pass the journal entries for issue of debentures .



1. Sh. Ganesh Ltd. Issued on 1 st April, 2018, 10,000, 8% Debntures of Rs. 100 each at 6% discount redeemable after five years at a

premium of Rs. 10. All the debentures were subscribed. During the year ended 31 st March, 2019, the company incurred a loss of Rs. 50,000. It has balance of Rs.1,20,000 in Securities Premium Reserve.

Pass the Journal entries for issue of debentures

and writing off Loss on Issue of Debentures.



Illustration 3

1. On 1 st April, 2016, Alok Ltd. Issued 7,000, 10% Debentures of Rs. 500 each at a premium of 5% and redeemable at a premium of 10% after 5 years. According to the terms of issue, Rs.200 was payable on application and balance on allotment. Record necessary entries regarding issue of debentures and writing off loss on issue of debentures.





1. On 1st Apirl, 2016, Sunster Ltd. Issued 10,000, 12% Debentures of \hat{a}^1 , 100 each at a discount of 5% redeemable at par as follows: On 31st March, 2017 2,000 Debentures, On 31st March, 2018 5,000 Debentures, 3,000 Debentures, On 31st March, 2019 Interest is paid annully on 31st March . You are required to pass the Journal entries, including for interest for the three years and Discount on Issue of Debentures prepare Account.

Watch Video Solution