

Assignment Class 12 Accounts

Issue of Debentures

Time Allowed: 45 mins.

Maximum Marks:

Q1. Tushar Ltd. Took over business of Harish Ltd having assets of rs. 22,00,000 and liabilities of rs. 6,00,000 by issuing 20,000 11% debentures of rs. 100 each at discount of 5%. You are required to pass the journal entries in the books of Tushar Ltd. If debentures were redeemed 10% premium.

Q-2 Akon Ltd issued 12,000, 14% debentures of Rs 100 each on 1st April, 2021. The issue was fully subscribed. According to the terms of issue, interest on debentures is payable half- yearly on 30th September and 31st March and tax deducted at source is 15%. You are required to pass the necessary entries related to the debenture interest for the half-yearly ending on 31st March, 2022 and transfer of interest on debentures to statement of profit and loss

Q-3 Aqua Co. Ltd. took over Assets of ₹ 12,90,000 and Liabilities of ₹ 40,000 of Bangar Ltd. and in consideration

a) Issued 50,000 equity shares of ₹10 each at 20% premium

b) Issued 9% Debentures of face value of ₹4,00,000 at 10% discount.

c) Balance by Cheque. This entire purchase of Business resulted in increase in capital reserve balance from ₹90,000 to ₹1,30,000 in Balance sheet. Show necessary entries in books Aqua Co. Ltd

Q4. On 01 August, 2022, Rockstar Ltd. issued ₹ 40,00,000, 9% Debentures of ₹ 100 each at 5% Premium, to be redeemed at 12% Premium on March 31, 2027. Balance in Securities Premium before issue was ₹ 1,50,000. You are required to (i) Pass entries for issue of debentures. (ii) Pass entry for writing off loss on Issue of debentures. (iii) Pass entries for Interest on Debentures on March 31 2023, if it is to be paid on March 31 every year. (iv) Prepare Loss on issue of debentures account.

Q5. Fill in the blanks in the following cases:

To _____

(Application and allotment money received on 2000 , 12% debentures of rs. 100 each issued at a premium of 5% and redeemable at a premium of 10%)

To -----

(_____)

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