

ISSUE OF DEBENTURES-7

1	what do you mean by zero coupon bond?	1
2	Write short notes on DRR.	1
3	State any two sources of finance for redemption of debentures.	1
4	What is meant by Redemption out of profits?	1
5	What is meant by redemption by Lumpsum Payment?	1
6	State the minimum amount of profit to be transferred to DRR .	1
1	<p>Journalize the following transactions:</p> <p>a) 400, 6%debentures issued at Rs 1040 each, repayable at Rs 1000 each.</p> <p>b) 400, 6%debentures issued at Rs 1000 each, repayable at Rs 1060 each.</p> <p>c) 400, 6%debentures issued at Rs 1040 each, repayable at Rs 1080 each.</p> <p>The face value of each debenture is Rs 1000.</p> <p>OR</p> <p>Give journal in each of the following cases if the face value of a debenture is Rs 100:</p> <p>a. Issued at Rs 105 each repayable at Rs 100 each.</p> <p>b. Issued at Rs 95 each repayable at Rs 104 each.</p>	3
2	<p>PQR limited issued Rs 800000, 11% debentures at 10% discount repayable after 3 years at 5% premium. Pass journal on date of issue and show the above transaction in company's balance sheet.</p> <p>Journalize the following transactions: (Face value of each debenture is Rs 100 in each case)</p> <p>a) Debenture issued @ Rs 95 each, repayable after 3 years @ Rs 105 each.</p> <p>b) Debenture issued @ Rs 103 each, repayable after 4 years @ Rs 107 each.</p> <p>c) Debenture issued @ Rs 95 each, repayable after 3 years @ Rs 100 each.</p>	3
3	<p>ABC Ltd issued secured debentures which are secured against the particular tangible fixed asset. these debentures called fixed charge as they do not allow the company from dealing with mortgaged assets. identify the values involved by issuing secured debentures.</p>	3
4	<p>On 31-3-2012 Ekta Ltd took loan of Rs 1000000 from PNB for which the company placed with the bank 12000, 10% debentures of Rs 100 each as a collateral security. As per the terms the bank is obliged and bound to immediately release the debentures as soon as the loan is repaid.</p> <p>a) Identify the value which according to you motivated the PNB to insist the company for issuing debentures as a collateral security against the loan.</p> <p>b) Pass journal and show the above transactions in companies Balance Sheet.</p>	3
1	<p>PQR limited purchase sundry assets of Rs 600000 and a liabilities of Rs 70000 of Raj traders at an agreed value of Rs 550000 paid by issue of 9% Debentures of Rs 10 each at a premium of 10%. Pass journal.</p> <p>OR</p> <p>Purchased machinery for Rs 800000 payable by as follows: Rs 80000 in cash and balance in the form of fully paid up debentures issued @ Rs 45 each (face value Rs 50 each). Pass journal.</p>	3
2	<p>X ltd purchased business of Y ltd. It include Asset as under: Plant of Rs 2000000 at Rs 1800000; Land and Building of Rs 3000000 at Rs 4200000 for purchase consideration of Rs 5500000 and paid Rs 1000000 by Bank draft and remaining by issue of 9% Debentures of Rs 100 each at 10% discount. Pass Journal.</p> <p>OR</p> <p>X Ltd. Furniture for Rs 900000 from Y Ltd. The payment to Y ltd. Was made 20% by bank draft and balance by issue of 9% Debentures of Rs 10 each. Pass journal entries for the above transactions when:</p> <ul style="list-style-type: none"> ➤ debentures were issued @ Rs12 each. ➤ debentures were issued at 10% discount. 	3
3	<p>ABC Ltd purchased building worth Rs 140000, Machinery worth Rs 120000 and stock worth Rs 40000 from B Ltd. and took over liabilities of Rs 35000 for a purchase consideration of Rs 330000. ABC Ltd paid the purchase consideration by issuing 10% debentures of Rs 100 each at a premium of 10%. pass journal.</p>	3

4	<p>OR</p> <p>Zee Ltd purchased an established business at Rs 700000 payable Rs 160000 by bank draft and balance by 9% debentures of Rs 10 each issued @ Rs 12 each. Pass journal.</p> <p>XYZ Ltd. issued 9000, 8% Debentures of Rs 100 each payable Rs 40 on application and Rs 60 on allotment. Application was received for 15000 Debentures. The company make prorata allotment to the applicants of 12000 debentures and remaining were rejected.</p> <p>i) pass journal entries.</p> <p>ii) which value has been affected by rejecting the applications of 3000 debentures? suggest the better alternative for the same.</p> <p>X Ltd. Issued Rs 500000, 9% Debentures at Par and also raise a loan of Rs 800000 from PNB , collateral secured by Rs 1000000, 9% Debentures. How will you show Debentures in the Balance Sheet of the company assuming that company has recorded the issue of Debenture as collateral in the books. Also journalise the issue of Debentures.</p>	3
---	---	---