

Journal of

Date	Particulars	Dr Amt	Cr Amt
(a)	Bank A/c Dr..	95	
	To Debenture Application and Allotment A/c		95
	(Being amount received on issue of Debentures)		
	Debenture Application and Allotment A/c Dr..	95	
	Discount on issue of Debentures A/c Dr..	5	
	To Debentures A/c		100
(b)	(Being debentures issued at a discount and redeemable at par)		
	Bank A/c Dr..	95	
	To Debenture Application and Allotment A/c		95
	(Being amount received on issue of Debentures)		
	Debenture Application and Allotment A/c Dr..	95	
	Discount on issue of Debentures A/c Dr..	5	
(c)	Loss on issue of Debentures A/c Dr..	5	
	To Debentures A/c		100
	To Premium on Redemption of Debentures		5
	(Being debentures issued at a discount and redeemable at premium)		
	Bank A/c Dr..	100	

	To Debenture Application and Allotment A/c (Being amount received on issue of Debentures)		100
	Debenture Application and Allotment A/c Dr..	100	
	Loss on issue of Debentures A/c Dr..	5	
	To Debentures A/c		100
	To Premium on Redemption of Debentures		5
	(Being debentures issued at par and redeemable at premium)		

32

Journal of ZK Ltd

Date	Particulars	Dr Amt	Cr Amt		
	Bank A/c Dr..	380000			
	To Debenture Application and Allotment A/c (Being amount received on issue of Debentures)		380000		4000
	Debenture Application and Allotment A/c Dr..	380000			
	Discount on issue of Debentures A/c Dr..	20000			5
	Loss on issue of Debentures A/c Dr..	40000			
	To 9% Debentures A/c		400000	4000	100
	To Premium on Redemption of Debentures		40000		10
	(Being debentures issued at a discount and redeemable at premium)				

33

Journal of Sakshi Ltd

Date	Particulars	Dr Amt	Cr Amt		
	Bank A/c Dr.. To Debenture Application and Allotment A/c (Being amount received on issue of Debentures)	94000	94000		
	Debenture Application and Allotment A/c Dr..	94000			
	Discount on issue of Debentures A/c Dr..	6000			6
	Loss on issue of Debentures A/c Dr..	5000			
	To 11% Debentures A/c		100000	1000	100
	To Premium on Redemption of Debentures		5000		5
	(Being debentures issued at a discount and redeemable at premium)				

34 (a)

Journal of

Date	Particulars	Dr Amt	Cr Amt
	Bank A/c Dr.. To Debenture Application and Allotment A/c (Being amount received on issue of Debentures)	32200	32200
	Debenture Application and Allotment A/c Dr..	32200	

	To 10% Debentures A/c		28000	280	100
	To Securities Premium Reserve A/c		4200		15
	(Being debentures issued at premium and redeemable at par)				

34 (b)

Journal of

Date	Particulars	Dr Amt	Cr Amt		
	Bank A/c Dr..	33000			
	To Debenture Application and Allotment A/c (Being amount received on issue of Debentures)		33000		
	Debenture Application and Allotment A/c Dr..	33000			
	Loss on Issue of Debentures A/c Dr..	4500			
	To 10% Debentures A/c		30000	300	100
	To Securities Premium Reserve A/c		3000		10
	To Premium on redemption of Debentures A/c		4500		15
	(Being debentures issued at premium and redeemable at premium)				

34 (c)

Journal of

Date	Particulars	Dr Amt	Cr Amt
	Bank A/c Dr..	80000	
	To Debenture Application and Allotment A/c (Being amount received on issue of Debentures)		80000
	Debenture Application and Allotment A/c Dr..	80000	

Loss on Issue of Debentures A/c	Dr..	8000			
To 10% Debentures A/c			80000	800	100
To Premium on redemption of Debentures A/c			8000		10
(Being debentures issued at par and redeemable at premium)					

35 (a)

Journal of

Date	Particulars	Dr Amt	Cr Amt		
	Bank A/c Dr..	42000			
	To Debenture Application and Allotment A/c (Being amount received on issue of Debentures)		42000		
	Debenture Application and Allotment A/c Dr..	42000			
	To 12% Debentures A/c		40000	400	100
	To Securities Premium Reserve A/c		2000		5
	(Being debentures issued at premium and redeemable at par)				

35 (b)

Journal of

Date	Particulars	Dr Amt	Cr Amt
	Bank A/c Dr..	73500	
	To Debenture Application and Allotment A/c (Being amount received on issue of Debentures)		73500

Debenture Application and Allotment A/c	Dr..	73500			
Loss on Issue of Debentures A/c	Dr..	7000			
	To 12% Debentures A/c		70000	700	100
	To Securities Premium Reserve A/c		3500		5
	To Premium on redemption of Debentures A/c		7000		10
(Being debentures issued at premium and redeemable at premium)					

36

Journal of Care Cosmetics Ltd

Date	Particulars	Dr Amt	Cr Amt		
	Bank A/c	Dr..	200000		
	To Debenture Application A/c		200000	50000	4
	(Being Debenture application money received for 50000 debentures @ Rs 4 per Debenture)				
	Debenture Application A/c	Dr..	200000	50000	
	To 9% Debenture A/c		200000		4
	(Being application money transferred to 9% Debentures A/c)				
	Debenture Allotment A/c	Dr..	300000	50000	
	Loss on Issue of Debentures A/c		50000		5
	To 9% Debenture A/c		300000		6
	To Premium on redemption of Debentures A/c		50000		1

	(Being Debenture allotment money for 50000 debentures transferred to Debentures A/c @ Rs 6 per Debenture)				
	Bank A/c Dr..	300000		50000	
	To Debenture Allotment A/c		300000		6
	(Being debenture allotment money received for 50000 debentures @ Rs 6 per debenture)				

37

Journal of Agam Ltd

Date	Particulars	Dr Amt	Cr Amt		
1-Apr-21	Bank A/c Dr..	3600000			
	To Debenture Application and Allotment A/c		3600000	40000	90
	(Being amount received on issue of Debentures)				
1-Apr-21	Debenture Application and Allotment A/c Dr..	3600000			
	Discount on issue of Debentures A/c	400000			10
	Loss on Issue of Debentures A/c Dr..	400000			
	To 9% Debentures A/c		4000000	40000	100
	To Premium on redemption of Debentures A/c		400000		10
	(Being debentures issued at par and redeemable at premium)				

(This entry not required in question. Given here only for information. Only entries on 31-Mar-2022 will be required)				
30-Sep-21	Interest on Debentures A/c	Dr..	180000	Expense
	To Debentureholders A/c		180000	Creditor
	(Half yearly interest on Debentures due)			
	Debentureholders A/c	Dr..	180000	Creditor
	To Bank A/c		180000	Asset
	(Half yearly interest on debentures paid)			
31-Mar-22	Interest on Debentures A/c	Dr..	180000	
	To Debentureholders A/c		180000	
	(Half yearly interest on Debentures due)			
	Debentureholders A/c	Dr..	180000	
	To Bank A/c		180000	
	(Half yearly interest on debentures paid)			
31-Mar-22	Statement of Profit and Loss A/c	Dr..	360000	
	To Interest on Debentures A/c		360000	
	(Being interest on Debentures transferred to Profit and Loss A/c)			

Working Note :

Interest on Debentures for 6 months ended 30-Sep-2018

Principal	4000000
Rate of Interest	9%
Period (Months)	6

Interest

180000

38 Note : Debenture issue entries not asked in the question. Given here only for information

Journal of Bright Ltd					
Date	Particulars	Dr Amt	Cr Amt		
1-Apr-21	Bank A/c Dr.. To Debenture Application and Allotment A/c (Being amount received on issue of Debentures)	500000	500000		
	Debenture Application and Allotment A/c Dr.. To 10% Debentures A/c (Being debentures issued at par and redeemable at par)	500000	500000	5000	100
30-Sep-21	Interest on Debentures A/c Dr.. To Debentureholders A/c (Half yearly interest on Debentures due)	25000	25000		
	Debentureholders A/c Dr.. To Bank A/c (Half yearly interest on debentures paid)	25000	25000		
31-Mar-22	Interest on Debentures A/c Dr..	25000			

	To Debentureholders A/c (Half yearly interest on Debentures due)		25000
Debentureholders A/c	Dr..	25000	
	To Bank A/c (Half yearly interest on debentures paid)		25000
Statement of Profit and Loss A/c	Dr..	50000	
	To Interest on Debentures A/c		50000

Working Note :

Interest on Debentures for 6 months ended 30-Sep-2018

Principal	500000
Rate of Interest	10%
Period (Months)	6
Interest	25000

39

Journal of V.V.L. Ltd

Date	Particulars	Dr Amt	Cr Amt
1-Apr-20	Bank A/c Dr.. To Debenture Application and Allotment A/c (Being amount received on issue of Debentures)	94000	94000

	Debenture Application and Allotment A/c	Dr..	94000			
	Discount on issue of Debentures A/c		6000			6
	Loss on Issue of Debentures A/c	Dr..	10000			
	To 9% Debentures A/c			100000	1000	100
	To Premium on redemption of Debentures A/c			10000		10
	(Being debentures issued at par and redeemable at premium)					
30-Sep-20	Interest on Debentures A/c	Dr..	4500			
	To Debentureholders A/c			4500		
	(Half yearly interest on Debentures due)					
	Debentureholders A/c	Dr..	4500			
	To Bank A/c			4500		
	(Half yearly interest on debentures paid)					
31-Mar-21	Interest on Debentures A/c	Dr..	4500			
	To Debentureholders A/c			4500		
	(Half yearly interest on Debentures due)					
	Debentureholders A/c	Dr..	4500			
	To Bank A/c			4500		
	(Half yearly interest on debentures paid)					
	Statement of Profit and Loss A/c	Dr..	9000			
	To Interest on Debentures A/c			9000		

--	--	--	--

Working Note :

Interest on Debentures for 6 months ended 30-Sep-2018

Principal	100000
Rate of Interest	9%
Period (Months)	6
Interest	4500

40

Journal of Kitply Ltd

Date	Particulars	Dr Amt	Cr Amt
	Bank A/c Dr..	190000	
	To Debenture Application and Allotment A/c		190000
	(Being amount received on issue of Debentures)		
	Debenture Application and Allotment A/c Dr..	190000	
	Discount on issue of Debentures A/c	10000	
	To 10% Debentures A/c		200000
	(Being debentures issued at discount)		
	Securities Premium Reserve A/c Dr..	10000	
	To Discount on issue of Debentures A/c		10000
	(Discount on issue of Debentures written off)		



On face value

calculate the interest as per interest rate

Simple interest