

BAL BHARATI PUBLIC SCHOOL
Ganga Ram Hospital Marg, New Delhi-60

CLASS –XII

SUBJECT – ACCOUNTANCY

ASSIGNMENT- 11

TOPIC – COMPANY ACCOUNTS
(REDEMPTION OF DEBENTURES)

- Q 1 Give the meaning of
- (i) Redemption of debentures out of profits
 - (ii) Redemption of debentures out of capital
- Q 2 list three modes of redemption of debentures.
- Q 3 What does sec 117C of the company's act state.
- Q 4 What are the SEBI guidelines regarding DRR.
- Q 5 Which co. are exempted by SEBI from the obligation of creating DRR.
- Q 6 A co. redeemed 1200, 12% debentures of 100 each at par by converting them into:
- (i) 10% preference shares of Rs 500 each issued at par.
 - (ii) Equity shares of Rs 10 each issued at a premium of Rs2.
 - (iii) Equity shares of Rs 10 each issued at a discount of RS 2
- Q 7 A co. redeemed 2000, 12% debentures of 100 each at 120 by converting them into:
- (i) 8% preference shares of Rs 200 each issued at par.
 - (ii) Equity shares of Rs 10 each issued at a premium of Rs2.
 - (iii) Equity shares of Rs 10 each issued at a discount of RS 2
- Q 8 A co. redeemed 1000, 7 ½ % debentures of 100 each issued at a discount of 10% at 120 by converting them into:
- (i) 8% preference shares of Rs 100 each issued at par.

- (ii) Equity shares of Rs 10 each issued at a premium of Rs2.
- (iii) Equity shares of Rs 10 each issued at a discount of RS 2
- (iv) 10% debentures of Rs 200 each

Q 9 X Ltd has 4000, 9% debentures of Rs 100 each due for redemption. Debenture redemption reserve has a balance of Rs 1,40,000 on that date. Record the necessary entries at the time of redemption of debentures.

Q 10 A co. has 50000, 8% debentures of Rs 100 each due for redemption in four equal instalments starting from 31st March, 2007. DRR has a balance of Rs 1800000 on that date. Record the necessary journal entries.

Q 11 On 31st March 2010 a co. had outstanding Rs 500000 in 9% debentures of Rs 100 each redeemable at a premium of 5% on 31st March 2011. On 1st January 2011, it was decided to give the holders of these debentures the following options:

- (i) To convert their holdings into 9% preference shares of Rs 100 each at par.
- (ii) To accept equity shares of Rs 100 each at 94.50 per share or
- (iii) To accept cash.

On 31st March 2011, 2000 debenture holders exercised option (i) ; 1800 debenture holders exercised option (ii) ; & the remaining debenture holders exercised option (iii).

Pass the necessary journal entries in the books of the company.

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