

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

CLASS –XII
ASSIGNMENT- 8

SUBJECT – ACCOUNTANCY
TOPIC – COMPANY ACCOUNTS
(DEBENTURES)

- Q 1 Define debentures.
- Q 2 Give five differences between
- (i) Shares & Debentures
 - (ii) Shareholders & Debentureholders
- Q 3 Explain the following types of debentures
- (i) Secured debentures
 - (ii) Convertible debentures
 - (iii) Registered debentures
 - (iv) Bearer debentures
 - (v) Zero coupon rate debentures
- Q 4 What does the expression 'Charge on asset' mean?
- Q 5 What is meant by Fixed charge/specific charge ; floating charge; issue of debentures as collateral security.
- Q 6 Z Ltd took over the following assets & liabilities of Usha co. Ltd.:
- Assets: Machinery 100000 ; Furniture 180000 ; Stock 20000.
- Liabilities: creditors – 80000
- The purchase price was agreed at Rs 108000. This is to be settled by the issue of 12% debentures of Rs 100 each:
- a) Issued at par
 - b) Issued at 20% premium
 - c) Issued at 10% discount

Q 7 Pass the necessary journal entries for the issue & redemption of debentures in the following cases:

- (a) 10000, 10% debentures of Rs 120 each issued at 5% premium, repayable at par.
- (b) 20000, 9% debentures of Rs 200 each issued at 20% premium repayable at 30% premium.
- (c) Rs 7000000, 12% debentures of Rs 100 each issued at a premium of 5% redeemable at 110%.
- (d) A 10% debenture issued at 90 redeemable at 105.

Q 8 What is the nature of the following accounts & under what head are they shown in the Balance Sheet.

- (i) Premium on redemption of debentures
- (ii) Loss on issue of debentures account
- (iii) Interest accrued & due/ Interest outstanding
- (iv) Interest accrued & not due/Accrued interest

Q 9 Is debenture interest a 'charge on profits' or 'an appropriation of profits'? Give reason.

Q 10 A Ltd issued 5000, 9% debentures of Rs 100 each at par & also raised a loan of Rs 80000 from bank, collaterally secured by Rs 100000, 9% debentures. How will you show the debentures in the balance sheet of the co. assuming

- (i) Co. has **not recorded** the issue of debentures as collateral in the books.
- (ii) Co. has **recorded** the issue of debentures as collateral in the books

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