

## Ex Interest & Cum Interest

<When transaction is on some date other than Intt date>  
 Co. have 10000 12% debentures of Rs 100 each. Intt date are 30/9, & 3/3. On 1/2/15, Co. purchased 1000 deb<sup>n</sup> @ 95 Ex Intt/Cum Intt.

### Ex Interest

Deb<sup>n</sup>      95 × 100 = 95000  
 Intt                      4000

### Cum Interest

95 × 1000 = 95000  
               /      \  
 4000      deb<sup>n</sup>  
 Intt      91000

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$$\text{Intt} = 1000 \times 100 \times 12\% \times \frac{4}{12} = 4000$$

	Ex Intt	Curr Intt.
Cancellation	Debenture Dr 100000 Deb <sup>n</sup> Intt Dr 4000 to Bank 99000 to SF 5000	Deb <sup>n</sup> Dr 100000 Deb <sup>n</sup> Intt Dr 4000 to Bank 95000 to SF 9000
Own debentures	Own deb <sup>n</sup> Dr 95000 Intt on own deb <sup>n</sup> Dr 4000 to Bank 99000	Own deb <sup>n</sup> Dr 91000 Intt on own deb <sup>n</sup> Dr 4000 to Bank 95000

Q10Deb<sup>n</sup> Dr 5200000Deb<sup>n</sup> Intt Dr 150000

to Bank 5000000


to SF 350000.

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Q11


		1/4/01 B/S.	
12% deb <sup>n</sup>	1000000	own deb <sup>n</sup>	
		200000	170000

30/9, 31/3.

1/6 Deb <sup>n</sup> Dr	100000	
 Deb <sup>n</sup> Int Dr	2000	
		99000
to Bank		
to CR		3000

$$100000 \times 12\% \times \frac{2}{12} = 2000$$



$$97 \times 1000 + 2000 = 99000$$

1/8 own deb <sup>n</sup> Dr	47000
 Int on own deb <sup>n</sup> Dr	2000
to Bank	49000

$$500 \times 100 \times 12\% \times \frac{4 \text{ (AMND)}}{12} = 2000$$

$$500 \times 98 = 49000$$


30/9		B/S	
deb <sup>n</sup>	900000	own deb <sup>n</sup>	
		200000	170000
		+ 50000	47000
		<u>250000</u>	<u>217000</u>

~~1/9~~  Deb<sup>n</sup> Intt Dr 54000  
 to Bank 39000  
 to Intt on own deb<sup>n</sup> 15000

$$900000 \times 12\% \times \frac{6}{12} = 54000$$


$$250000 \times 12\% \times \frac{6}{12} = 15000$$

~~1/10~~ Deb<sup>n</sup> Dr 200000  
 to own deb<sup>n</sup> 170000  
 to CR 30000

~~1/12~~ own deb<sup>n</sup> Dr 148500  
 Intt on own deb<sup>n</sup> 3000  
 to Bank 151500

$$1500 \times 100 \times 12\% \times \frac{2}{12} = 3000$$

$$1500 \times 99 + 3000 = 151500$$

~~1/3~~ Deb<sup>n</sup> Dr 200000  
 Deb<sup>n</sup> Intt Dr 1000

to Bank 20200  
 to CR 800

$$20000 \times 12\% \times \frac{5}{12} = 1000$$

B/S

12% deb <sup>n</sup>	680000	own deb <sup>n</sup>	
90000		250000	217000
- 20000		(20000)	(170000)
- 20000		+150000	148500
		<u>200000</u>	<u>195500</u>

Deb<sup>n</sup> Dr 200000  
 to own deb<sup>n</sup> 195500  
 to CR 4500

31/3.  
 Deb<sup>n</sup> Int<sup>n</sup> Dr 40800  
 to Int<sup>n</sup> on own deb<sup>n</sup> 12000  
 to Bank 28800

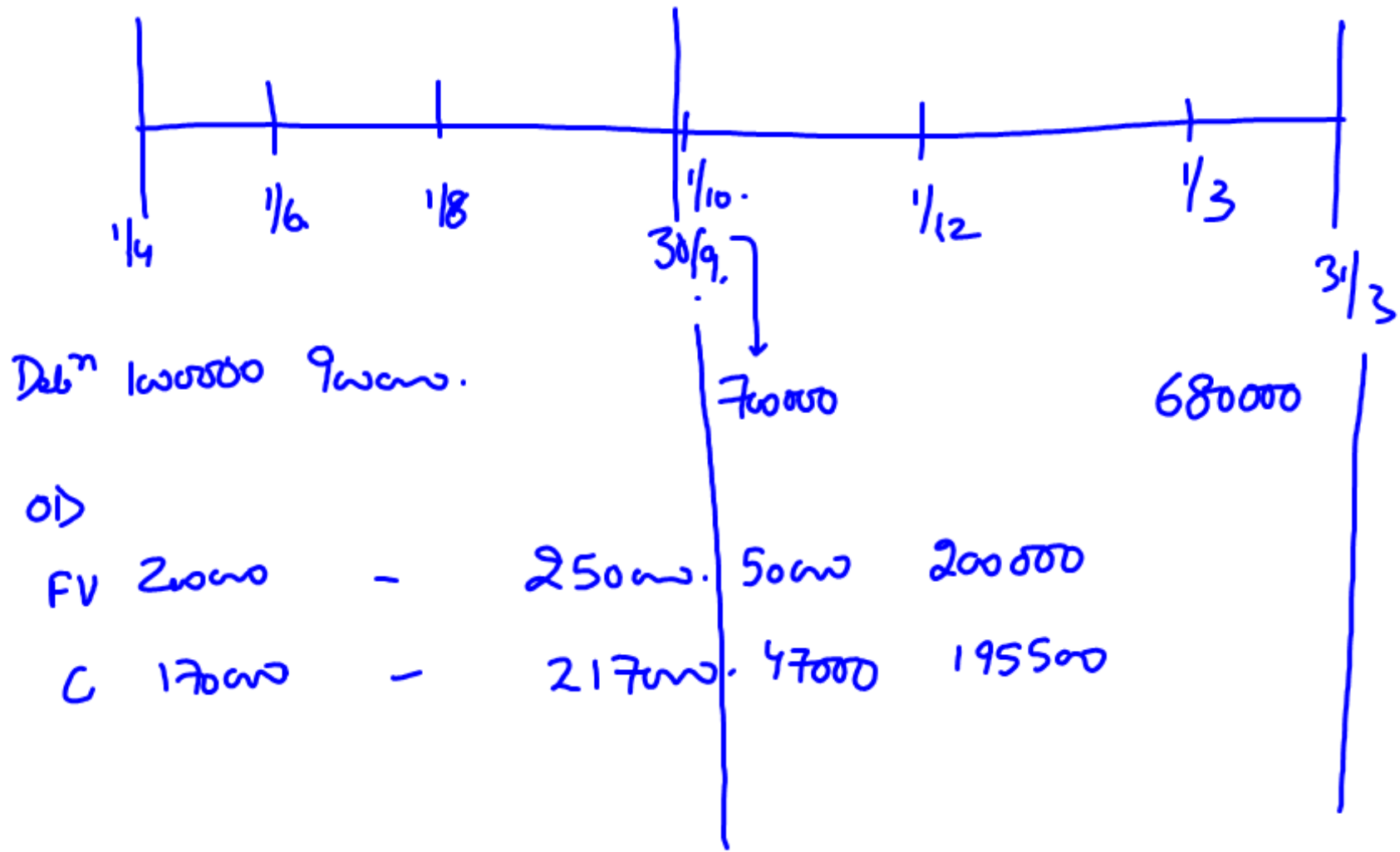
Deb<sup>n</sup> Dr 480000  
 to Bank 480000

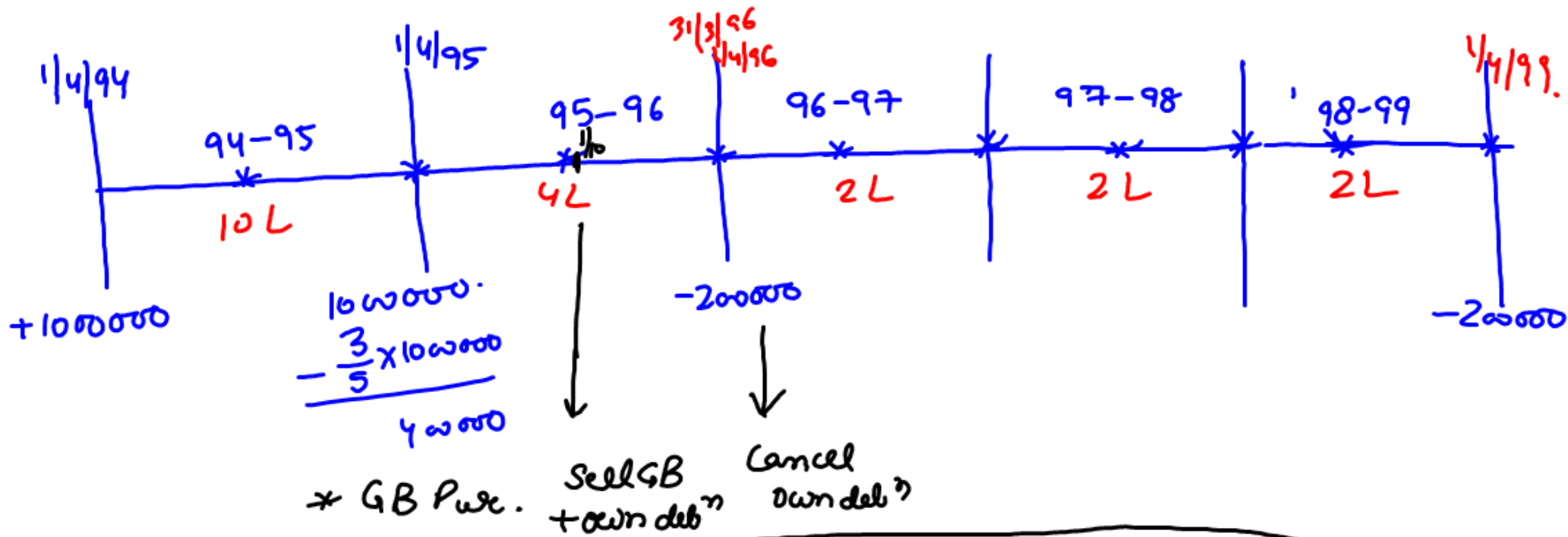
P&L Dr 97800  
 to Deb<sup>n</sup> Int<sup>n</sup> 97800  
 (2000 + 54000 + 1000 + 40800)

$$680000 \times 12\% \times \frac{6}{12} = 40800$$

$$200000 \times 12\% \times \frac{6}{12} = 12000$$

Int<sup>n</sup> on own deb<sup>n</sup> Dr 22000  
 to P&L 22000  
 (-2000 + 15000 - 3000 + 12000)





Disc on deb<sup>n</sup> is w/o in 5:2:1:1:1

I yr  $\frac{5}{10} \times 10000 = 5000$

II yr  $\frac{2}{10} \times 10000 = 2000$



$1\frac{4}{94}$  Bank Dr 990000  
 Disc on deb<sup>n</sup> Dr 10000  
 to 13.5% debentures 1000000

$30\frac{9}{94}$  Deb<sup>n</sup> Int Dr 67500  
 to Bank 67500  
 $1000000 \times 13.5\% \times \frac{6}{12} = 67500$

$31/3/95$  Deb<sup>n</sup> Int Dr 67500  
 to Bank 67500

P&L Dr 140000  
 to Deb<sup>n</sup> Int 135000  
 to Disc on deb<sup>n</sup> 5000

$1\frac{4}{95}$  Deb<sup>n</sup> Dr 600000  
 to Eq Sh. Capital 400000  
 to Sec. premium 200000

$1\frac{4}{95}$  Investment Dr 160000  
 to Bank 160000

$30\frac{9}{95}$  Deb<sup>n</sup> Int Dr 27000  
 to Bank 27000

$400000 \times 13.5\% \times \frac{6}{12} = 27000$

$1\frac{10}{95}$  Bank Dr 190000  
 to Investment 160000  
 to P&L 30000

1/10  
 own deb<sup>n</sup> Dr 190000  
     to Bank 190000

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31/3 Deb<sup>n</sup> Int<sup>n</sup> Dr 27000  
     to Int<sup>n</sup> on own deb<sup>n</sup> 13500  
     to Bank 13500

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$$400000 \times 13.5\% \times \frac{6}{12} = 27000$$

$$\frac{190000}{95} = 2000 \times 100 \times 13.5\% \times \frac{6}{12}$$

$$= 13500$$

31/3 Deb<sup>n</sup> Dr 200000  
     to own deb<sup>n</sup> 190000  
     to CR 10000

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P&L Dr 56000  
     to deb<sup>n</sup> Int<sup>n</sup> 54000  
     to disc on deb<sup>n</sup> 2000

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Int<sup>n</sup> on own deb<sup>n</sup> Dr 13500  
     to P&L 13500

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Sinking Fund a/c.

SFI (5% loan (2005)) a/c.

Sinking Fund a/c.		SFI (5% loan (2005)) a/c.					
SFI	55		FV	C		FV	C
		bal b/d. 250000					
			bal b/d. 124000	120000	Bank	20000	19300
					SF		55
Debtenture a/c							--
		bal b/d 380000					

$$\frac{19300}{96.5\%} = 20000 \text{ FV.}$$

Bank Dr 19300  
SF Dr 55

to SFI. 19355

$$P = SP - C.$$

$$19300 - 19355 = (55)$$

$$\text{FV } 124000 \rightarrow \text{C } 120000$$

$$\text{FV } 20000 \rightarrow \text{C } \frac{120000}{124000} \times 20000 = 19355$$

Del<sup>n</sup> Dr 20000

to Bank 19300

to SF 700

hence forth

forth coming