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[Redemption Of Debentures By Sinking Fund Method Pdf Download](#)

## T.Y.Bcom 2013-14 Accounts Paper 1

b) The amount to be transferred to DRR A/c shall depend up on the amount of debentures and the period over which these are redeemable.

For e.g. If debentures of Rs.1000000 are redeemable after 5 years, the company should create DRR A/c out of profits of every year to the tune of Rs.200000.

The following entries are passed on creation of DRR:-

<b>Profit &amp; Loss Appropriation A/c -----Dr.</b>
<b>To DRR A/c</b>

This entry is passed every year end until debentures are redeemed.

After redemption of all debentures the balance in DRR A/c is transferred to General Reserve A/c.

<b>DRR A/c ----- Dr.</b>
<b>To General Reserve A/c</b>

### Problem 2

X Ltd. issued 2000, 15% Debentures of Rs.100 each on 1/4/2001 at 10% discount, redeemable at 10% premium **out of profits**. Show journal entries for all years, when debentures are redeemable in lump sum after four years and company decided to create DRR.

### Redemption out of Sinking Fund:-

Under this method, the company sets aside every year a part of divisible profits and invests the same in outside securities. The investment is made in such a manner that cash required for redemption will be equal to the amount of debentures. The amount is made available by selling the investments.

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debt obligations Also Check: Important issues for debt repayment Methods ... Download NCERT's PDF Solutions for Class 12 Accounting Chapter 2 - Issue and ... is transferred to the Sinking Fund by writing off the P and L. 3 appropriations .... Payment Formula for a Sinking Fund. Suppose that an account has an annual rate of compounded times per year, so that is the interest rate per compounding .... and redemption of debentures – underwriting of shares and debentures ... Methods of Redeeming Redeemable Preference Shares: ... up sinking fund method.. redemption of debentures in lump sum accounting entries, redemption of ... group 1 accounts file in pdf format, ca ipcc syllabus download ca intermediate ipcc, ... accounting ipcc, sinking fund method of redemption of debenture accounting, ....

... issue of debentures; •explain the methods of redemption of debentures and the accounting thereof; and •explain the concept of sinking fund. .... Redemption of Debentures Sinking Fund Method by CA/CMA Santosh ... Terms lecture 3 for class 11 by ... (b) Sinking fund A/c. (iii). Methods of Redemption of debentures: (a) Conversion (b) By creating Redemption. Fund (c) By Annual Drawing (d) At the option of the company (e) purchase in the open market. (iv). In general term, when two or more .... Mobilisation of Funds for Redemption of Debentures ... 156. 15. ... method of depreciation is made depreciation should be recalculated in accordance with the .... Usually a company creates sinking fund or an insurance policy fund for the redemption of debentures. Drawings of Lots method: In order to reduce the liability of ...

### **sinking fund method of redemption of debentures**

sinking fund method of redemption of debentures, what is sinking fund method for debenture redemption explain it, what are the methods of redemption of debentures, what are the different methods of redemption of debentures, debenture redemption sinking fund method, what is debenture sinking fund

Profit or loss on sale of investments is transferred to sinking fund. After the redemption of all debentures, balance left in sinking fund is transferred to general reserve but the ... Fund A/c balance to General Reserve is the \_\_\_\_ step involved in working of sinking fund method. ... Customize assignments and download PDF's. Redeemable Debenture- These debentures are payable after the expiry of a ... in this method. Debentures Suspense Account is deducted from the Debentures ... Describe the steps for creating Sinking Fund for redemption of debentures.. •explain the methods of redemption of debentures and the accounting thereof; and. •explain the concept of sinking fund, its use for redemption of debentures.

### **what are the methods of redemption of debentures**

This is also known as the sinking fund. Essentially, it is a reserve that is built by accumulating at least 25% of the face value of debenture every year until its ...

### **debenture redemption sinking fund method**

of Debentures. 7. Redemption of Debentures without a Sinking Fund. 8. 2. (a) New shares issued at premium. Dr. Bank. Cr. Share Capital. Cr. Share Premium.. Under the terms of the debenture trust deed, the assessee had to establish a sinking fund for the redemption of the debentures and with a view thereto, open an .... 2) When there is Sinking Fund. JOURNAL ENTRIES. A) Methods of Redemption. 1) Lumpsum/Annual Drawings a) 12% Debentures. Dr. Face value redeemed.. Sinking Fund Method of Redemption of Debenture Accounting. Accounts ... Download Redemption of debentures notes CA IPCC Grp II. TS. Grewal Solutions for Class 12 Accountancy CBSE Tuts. CPT Accounts Notes.pdf CA CMA CS News.. Debenture Accounting.pdf - Free download as PDF File (.pdf), Text File (.txt) or read .. describe the methods of writing-off discount/loss on issue of debentures; ... explain the concept of sinking fund, its use for redemption of debentures and the .... Accounting Entries: Redemption of Debentures by Sinking Fund, ... Sinking Fund Method by CA/CMA Santosh .... Issue and Redemption of Debentures ... Distinction between Shares and Debentures ... is called Sinking Fund method according to which the company makes ... 0273d78141