

(16)

KSM

Marks

- (d) XYZ Ltd. has issued 1,000, 12% convertible debentures of ₹ 100 each redeemable after a period of five years. According to the terms & conditions of the issue, these debentures were redeemable at a premium of 5%. The debenture holders also had the option at the time of redemption to convert 20% of their holdings into equity shares of ₹ 10 each at a price of ₹ 20 per share and balance in cash. Debenture holders amounting ₹ 20,000 opted to get their debentures converted into equity shares as per terms of the issue.
- You are required to calculate the number of shares issued and cash paid for redemption of ₹ 20,000 debenture holders and also pass journal entry for conversion and redemption of debentures.
- (e) What are the basis of measurement of Elements of Financial Statements ? Explain in brief.

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