**Print by: Khristine Jackson
FINANCIAL ACCT / Chapter 10 Graded**

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| http://edugen.wiley.com/edugen/art2/common/pixel.gif |
| http://edugen.wiley.com/edugen/art2/common/pixel000.gif |
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| http://edugen.wiley.com/edugen/art2/common/pixel.gif | The following section is taken from Budke Corp.'s balance sheet at December 31, 2010.

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| Current liabilities |   |
|      Bond interest payable |  $ 57,820 |
| Long-term liabilities |   |
|      Bonds payable, 7%, due January 1, 2015 | 1,652,000 |

Interest is payable semiannually on January 1 and July 1. The bonds are callable on any interest date. | http://edugen.wiley.com/edugen/art2/common/pixel.gif |

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| http://edugen.wiley.com/edugen/art2/common/pixel.gif | Journalize the payment of the bond interest on January 1, 2011.

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| --- | --- | --- | --- |
| **Date** | **Account/Description** | **Debit** | **Credit** |
| Jan. 1 |  |  |   |
|   |          |   |  |

 | http://edugen.wiley.com/edugen/art2/common/pixel.gif |

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| http://edugen.wiley.com/edugen/art2/common/pixel.gif | Assume that on January 1, 2011, after paying interest, Budke calls bonds having a face value of $522,000. The call price is 103. Record the redemption of the bonds. ***(For multiple debit/credit entries, list amounts from largest to smallest e.g. 10, 5, 3, 2.)***

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| --- | --- | --- | --- |
| **Date** | **Account/Description** | **Debit** | **Credit** |
| Jan. 1 |  |  |   |
|   |  |  |   |
|   |          |   |  |

 | http://edugen.wiley.com/edugen/art2/common/pixel.gif |

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| http://edugen.wiley.com/edugen/art2/common/pixel.gif | Prepare the entry to record the payment of interest on July 1, 2011, assuming no previous accrual of interest on the remaining bonds.

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| --- | --- | --- | --- |
| **Date** | **Account/Description** | **Debit** | **Credit** |
| July 1 |  |  |   |
|   |          |   |  |

 | http://edugen.wiley.com/edugen/art2/common/pixel.gif |

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| **Question Attempts: 0 of 3 used**  |

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| http://edugen.wiley.com/edugen/art/common/pixelaaa.gif |
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