**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 |
| http://edugen.wiley.com/edugen/art2/common/pixel.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.   |  | | --- | |  |  |  |  | | --- | --- | | 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.   |  |  |  |  | | --- | --- | --- | --- | | **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.)***   |  |  |  |  | | --- | --- | --- | --- | | **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.   |  |  |  |  | | --- | --- | --- | --- | | **Date** | **Account/Description** | **Debit** | **Credit** | | July 1 |  |  |  | |  |  |  |  | | http://edugen.wiley.com/edugen/art2/common/pixel.gif |

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