



## FIXED INCOME BEARING SECURITIES

### JOURNAL ENTRIES

#### 1. Purchase

Investments A/c — Dr. (Ex-Interest + Brokerage)  
 Interest on Inv. A/c — Dr. (Accrued Interest)  
 To Bank A/c (Cum-Interest + Brokerage)

[Shortcut:- Last Due Date to Date of Transaction]

#### 2. Sale

Bank A/c — Dr. (Cum-Int. - Brokerage)  
 To Investments A/c (Ex-Int - Brokerage)  
 To Interest on Inv. A/c (Accrued Int.)

[Shortcut:- Last Due Date to Date of T/N]

#### 3. Receiving Interest on Due Date

Bank A/c — Dr.  
 To Interest on Inv. A/c

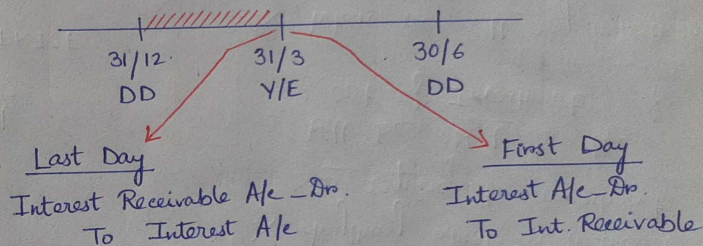
[Shortcut:- Due Date to Due Date]

#### 4. Profit/Loss on Sale of Investment

Investment A/c — Dr.  
 To P/L A/c

P/L A/c — Dr.  
 To Investment A/c

#### 5. If there is Opening Balance of Investments & Due Date ≠ Year-End



#### Investment A/c

	FV	Int	Amt.		FV	Int	Amt.
To Int. Receivable (Opening)		xxx					
				By Int. Receivable (Closing)		xxx	

[Shortcut:- Last DD to Y/E]

## FORMAT OF INVESTMENT ACCOUNT

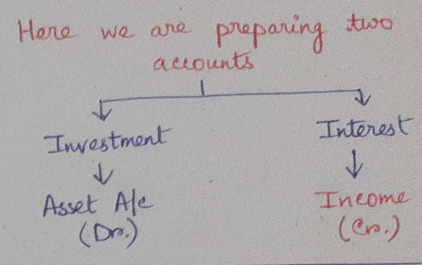
In the books of .....  
Investment A/c  
[Interest due on .....]

Dr.				Cr.					
DATE	PARTICULARS	Face Value	Interest	Amount (₹)	DATE	PARTICULARS	Face Value	Interest	Amount (₹)
	To Op. Balance	XX		XXX		By Bank A/c [Int. received] (DD to DD)		XXX	
	To Int. Receivable (Last DD to Y/E)		XXX			By Bank A/c [Sale] (Last DD to Date of T/N)	XX	XXX	XXX
	To Bank A/c [Purchase] (Last DD to Date of T/N)	XX	XXX	XXX		By Int. Receivable		XXX	
	To P&L A/c [Profit on Sale]			XXX		By P&L A/c [Loss on sale]			XXX
	To P&L A/c (Bal. fig.)		XXX			By Bal. c/d	XX		XXX

Never make total of this column  
↓  
Use only when you buy/purchase  
FV column is just for reference

Accrued Interest  
↑  
Ex-Interest Price

Never make total of this column  
↓  
Use only when you sell  
Accrued Interest  
↑  
Ex-Interest Price



Purchase → Dr. Side  
Sell → Cr. Side

Interest Column  
↓  
Cr. side always bigger  
(To P&L A/c on Dr. side)

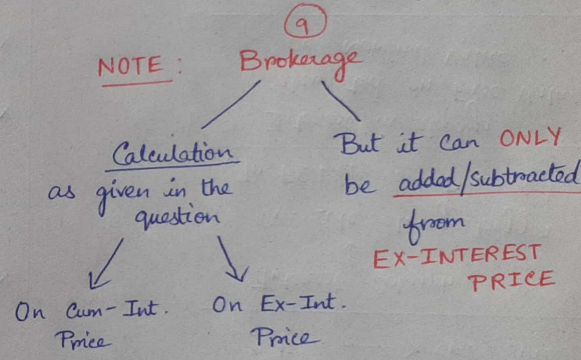
Interest is always calculated on Face Value or Nominal Value

Profit on Sale → Dr. side of Investment  
Loss on Sale of Investment → Cr. side

SREYAM ROY

Calculation of Interest (Working Note) → This format is only when you Purchase or Sell

① Date of T/N	② FV	③ From	④ To	⑤ No. of month(s)	⑥ Ex-Interest Price	⑦ Interest	⑧ Cum-Interest Price	⑨ Brokerage	⑩ Net Amount
Purchase					✓			✓	$6 + 9 = 10$
Sale					✓			✓	$6 - 9 = 10$



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