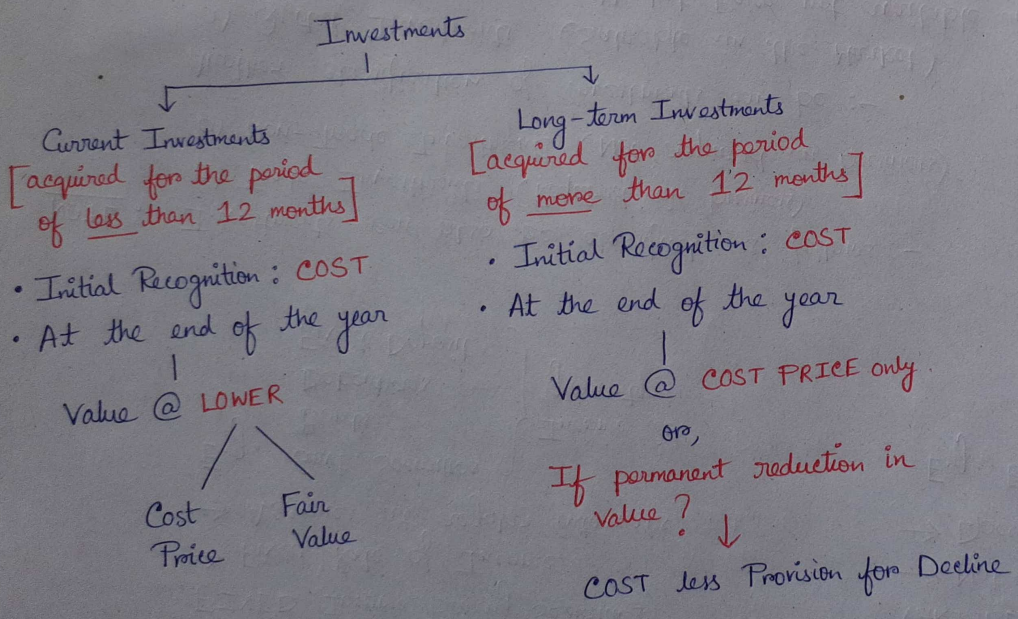


## INVESTMENT ACCOUNTS (AS-13)

Investments are assets held by an enterprise for earning income by way of dividends, interest, capital appreciation or others, and not held for sale as stock-in-trade.

↓  
Gold, Property

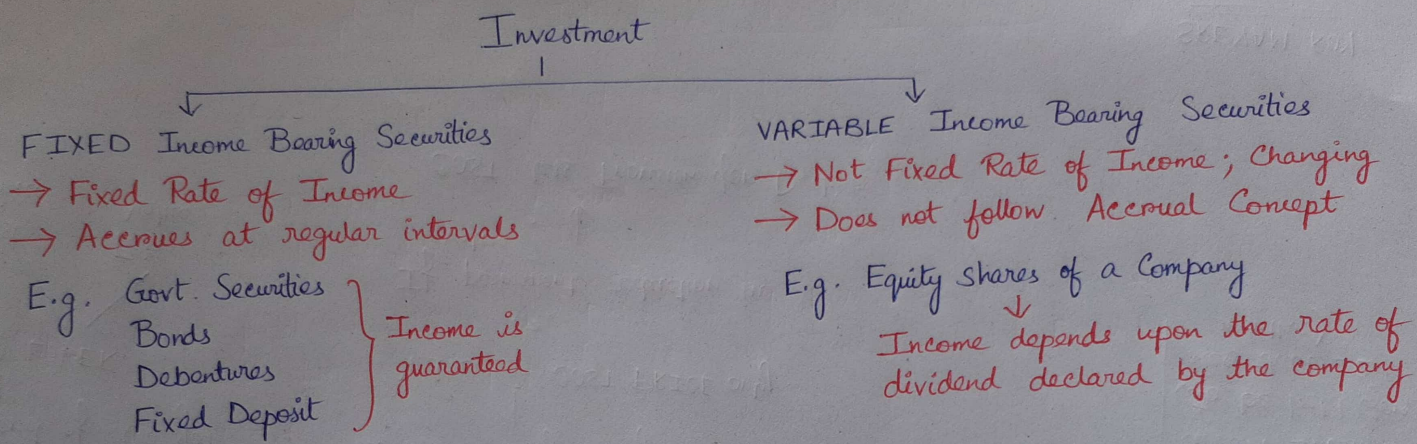
↓ Shares  
↓ Fixed Deposit, Debentures, Government securities



### Balance Sheet

Non-Current Investments (to be held for more than 12 months)
Current Investments (to be held for less than 12 months)

SREYAM ROY



NOTE: Investments can also be classified as follows:-

- a) Trade Investments (Required in business)
- b) Non-Trade Investments (Not required in business)

Another classification of investments can be :-

- a) Quoted Investments (Saleable in the Market)
- b) Unquoted Investments (Market Price not available in the Market)

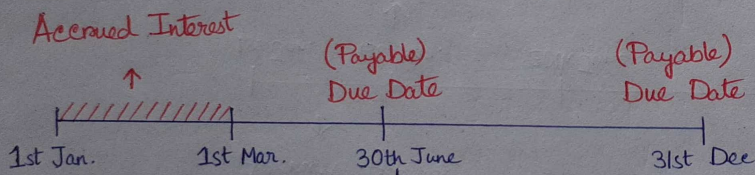
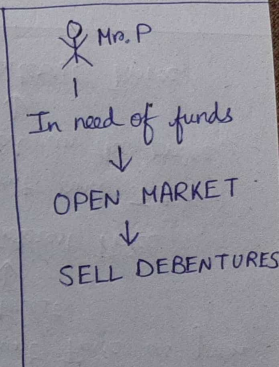
## FIXED INCOME BEARING SECURITIES

ABC Ltd. issued Debentures

B/s of ABC Ltd.	
Liabilities	Assets
Debentures    XX	

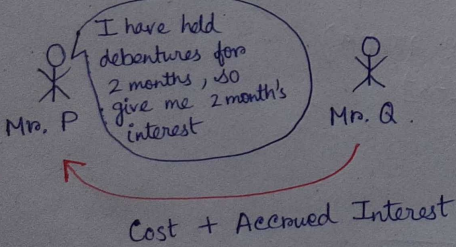
B/s of P (Investor)

Liabilities	Assets
	Investment in Debentures of ABC Ltd.    XX



↓  
Debentures  
P sold to Q on 1st March

↓  
ABC Ltd. will pay interest on 30th June (for the period of 1st Jan - 30th June)  
↓  
To Mr. Q



NOTE: Company will pay interest from Due Date to Due Date.

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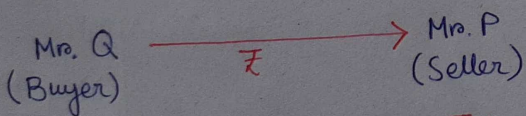
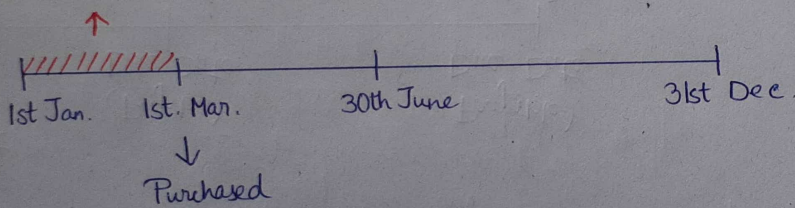
## Concept of Cum-Interest & Ex-Interest Price

Two ways of Quoting Prices

$$\begin{array}{c} \downarrow \\ \text{Ex-Interest} \quad + \quad \text{Accrued} \quad = \quad \text{Cum-Interest} \\ \text{(without interest)} \quad \text{Interest} \quad \quad \quad \text{(with interest)} \end{array}$$

For e.g. Mr. Q purchased 1000 10% Debentures of F.V. ₹ 1,00,000 on 1.3.2020.  
Due dates for interest payment are 30th June & 31st December.

Accrued Interest



Cost of Investment + Acc. Int. (2 months)  
(Ex-interest price)

✗ If Investment Price is given without interest

↓  
Ex-Interest Price

✗ If Investment and Interest are included in the price

↓  
Cum-Interest Price

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