

BRIEF EXERCISE 14-2

(a)	Cash	300,000	
	Bonds Payable.....		300,000
(b)	Interest Expense	15,000	
	Cash ($\text{€}300,000 \times 10\% \times 6/12$)		15,000
(c)	Interest Expense	15,000	
	Interest Payable		15,000

BRIEF EXERCISE 14-7

(a)	Cash	644,636,000	
	Bonds Payable.....		644,636,000
(b)	Interest Expense	19,339,000	
	Bonds Payable	1,661,000	
	Cash		21,000,000
	($\text{\$}644,636 \times 6\% \times 6/12 = \text{\$}19,339,000$)		
	($\text{\$}600,000 \times 7\% \times 6/12 = \text{\$}21,000,000$)		
(c)	Interest Expense	19,289	
	($\text{\$}642,975 \times 6\% \times 6/12 = \text{\$}19,289$)...		
	Bonds Payable	1,711	
	Interest Payable		21,000

BRIEF EXERCISE 14-9

(a)	Cash	100,000	
	Notes Payable		100,000
(b)	Interest Expense	10,000	
	Cash ($€100,000 \times 10\% = €10,000$)		10,000

BRIEF EXERCISE 14-10

(a)	Cash	47,664	
	Notes Payable		47,664
(b)	Interest Expense	5,720	
	Notes Payable		5,720
	($£47,664 \times 12\%$)		

BRIEF EXERCISE 14-13

	Bonds Payable ($\$500,000 + \$15,000$)	515,000	
	Gain on Extinguishment of Debt		20,000
	Cash ($.99 \times \$500,000$)		495,000

BRIEF EXERCISE 14-14

	Notes Payable	100,000	
	Share Capital—Ordinary		20,000
	Share Premium—Ordinary		
	($€4.75 - €1$) $\times 20,000$		75,000
	Gain on Extinguishment of Debt		5,000

BRIEF EXERCISE 14-16

(a) Unrealized loss = HK\$17,500 - HK\$16,000 = HK\$1,500

(b) Unrealized Holding Gain or Loss—Income	1,500	
Notes Payable		1,500