

**Ex. 14–7**

a.	Cash.....	25,853,146	
	Premium on Bonds Payable.....		1,853,146
	Bonds Payable .....		24,000,000
b.	Interest Expense.....	1,254,685	
	Premium on Bonds Payable .....	185,315*	
	Cash .....		1,440,000**

\*\$1,853,146 ÷ 10 semiannual payments  
 \*\*\$24,000,000 × 12% × 6/12

**Ex. 14–8**

<b>2010</b>			
Apr. 1	Cash.....	16,000,000	
	Bonds Payable .....		16,000,000
Oct. 1	Interest Expense .....	880,000	
	Cash.....		880,000
<b>2014</b>			
Oct. 1	Bonds Payable .....	16,000,000	
	Loss on Redemption of Bonds.....	320,000	
	Cash.....		16,320,000*

\*\$16,000,000 × 1.02

**Ex. 14–9**

<b>2010</b>			
Jan. 1	Cash.....	15,000,000	
	Bonds Payable .....		15,000,000
July 1	Interest Expense .....	1,050,000	
	Cash.....		1,050,000
<b>2016</b>			
July 1	Bonds Payable .....	15,000,000	
	Gain on Redemption of Bonds .....		300,000
	Cash.....		14,700,000*

\*\$15,000,000 × 0.98