## Quick Question On Selling Bonds

On January 1, the We Need Money Corporation issued $\$ 50,000$ in $4-y e a r$, $10 \%$ bonds. Interest was paid semiannually. The bonds sold to yield 8\%. Make the Journal Entries to record the sale of the bonds, and the first interest payment using first the straight line method and then the effective interest method.

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## Quick Question On Bond Sinking Funds

A $\$ 2,000,000$ bond issue is due in 10 years. Calculate the semiannual payments beginning on June 30 needed to accumulate $\$ 2,000,000$ over 10 years in a bond retirement sinking fund. Return on capital is expected
to be $8 \%$. Make the first year's entries.

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