

# Bonds Payable

(Crossword Puzzle #1)

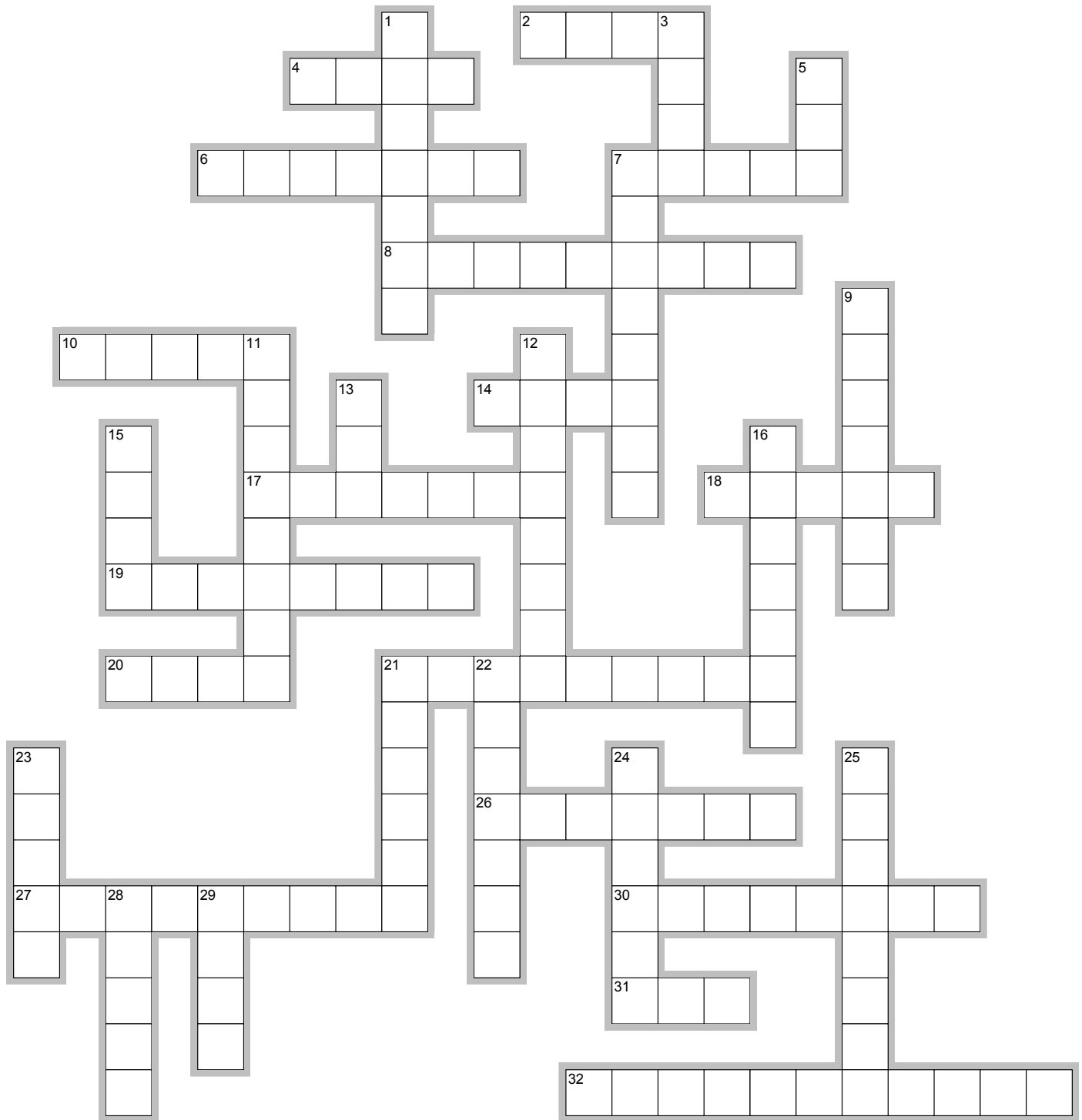


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# Crossword Puzzle (Bonds Payable #1)



## ACROSS (Bonds Payable #1)

2. A specified amount at which the issuer can buy back its outstanding bonds is known as the bond's \_\_\_\_\_ price.
4. The carrying value of bonds payable is also known as the bond's \_\_\_\_\_ value.
6. If a bond's interest expense is less than the interest paid to the bondholders, the bond was issued at a \_\_\_\_\_.
7. Bond \_\_\_\_\_ costs are recorded as a deferred charge and then amortized to expense over the life of the bonds.
8. If a corporation's outstanding bonds do not have an interest payment date at the end of the corporation's accounting year, an accrual-type \_\_\_\_\_ entry is required.
10. A bond's effective interest rate is also its \_\_\_\_\_-to-maturity.
14. The amortization of bond discount will cause Bond Interest Expense to be \_\_\_\_\_ (less, more) than the interest paid to bondholders.
17. The accrued interest on bonds payable will likely be reported as a \_\_\_\_\_ liability.
18. The unamortized balance in the account Discount on Bonds Payable should have this type of account balance.
19. The face amount of a bond is also the bond's \_\_\_\_\_ value.
20. Stock is a form of equity and bonds are a form of \_\_\_\_\_.
21. The legal document containing covenants and restrictions on the issuer of bonds is known as an \_\_\_\_\_.
26. If a bond is issued between interest payment dates, the buyer pays the issuer the amount of interest that has \_\_\_\_\_.
27. A bond not secured by specific assets.
30. The carrying value of bonds payable that were issued at a premium will \_\_\_\_\_ (decrease, increase) during the life of the bonds.

## **Across** (Bonds Payable #1)

- 31. Bond interest payments are likely to occur \_\_\_\_\_ times per year.
- 32. A type of bond which can be exchanged for a specified number of shares of common stock.

## Down (Bonds Payable #1)

1. A term used in place of stated, contractual, or face when describing a bond's interest rate.
3. When the market interest rate is \_\_\_\_\_ (less, more) than a bond's stated interest rate, the bond will sell for a premium.
5. The accrued interest on a 6% \$200,000 bond dated January 1 but issued on February 1 is \_\_\_\_\_ thousand dollars.
7. The discount or premium on bonds payable is amortized to \_\_\_\_\_ Expense over the life of the bonds.
9. The name of the long-term asset account that is restricted for the retirement of bonds payable is Bond \_\_\_\_\_ Fund.
11. Bonds issued at 97 are said to be issued at a \_\_\_\_\_.
12. A bond secured by real estate is known as a \_\_\_\_\_ bond.
13. Bonds issued at 100 are said to be issued at \_\_\_\_\_.
15. Bonds maturing on a single date are known as \_\_\_\_\_ bonds.
16. Bonds that provide specific collateral for the bondholders are known as \_\_\_\_\_ bonds.
21. A bond's interest expense will reduce a U.S. corporation's taxable \_\_\_\_\_.
22. If the issuer of bonds fails to pay the required interest payments, the issuer of the bonds is said to be in \_\_\_\_\_.
23. \_\_\_\_\_ (Stock, Bonds) have a lower cost for financing an expensive project.
24. The expected balance for the account Premium on Bonds Payable.
25. The \_\_\_\_\_-line method of amortization of bond premium will result in a constant amount of annual interest expense.
28. A change in interest rates from 7.75% to 8.25% is a change of 50 \_\_\_\_\_ points.
29. The proceeds for a \$300,000 bond issued at 103 is three hundred \_\_\_\_\_ thousand dollars plus accrued interest.

# Solutions (Bonds Payable #1)

