

I-13.04

On January 1, 20X3, Daisy Corporation issued \$5,000,000 face amount of 6% bonds. These bonds are dated January 1, and mature in 5 years, with semiannual interest payments. The market rate of interest at the time of issue was 7%, and the bonds priced at \$4,792,085. Daisy uses the effective-interest method of amortization.

- (a) Prepare a 5-year amortization table for Daisy's bonds.
- (b) Prepare 20X3's entries for these bonds; specifically, the initial bond issuance, the June 30 interest payment, and the December 31 interest payment.
- (c) Demonstrate the appropriate balance sheet presentation for the bonds, as of December 31, 20X5.