Devol Computing invested in $100,000 face amount of 6-year bonds issued by Horton Micro Chip Company on January 1, 20X1. The bonds were purchased at 103, and bear interest at a stated rate of 8% per annum, payable semiannually.

(a) Prepare the journal entry to record the initial investment on January, 20X1.

(b) Prepare the journal entry that Devol would record on each interest date.

(c) Prepare the journal entry that Devol would record at maturity of the bonds.

(d) How much cash flowed "in" and "out" on this investment, and how does the difference compare to total interest income that was recognized?