

RAMA Inc. has 3 types of shares. On 31/12/2020, the followings were outstanding shares:

130,000 share- Common stock, par \$ 2

25,000 share- Preferred stock, \$ 50 par, 8%

8,000 share- Cumulative preferred stock, \$ 100 par, 6%.

On this date, the company declared a total cash dividends of \$ 420,000. It should be noted that the company did not pay any dividends during 2018 and 2019.

Required: How much is the total cash dividends that common stockholders will get?

NOTE: (When writing your answer do not use commas or sign of the dollar. For example, if your answer is \$10,000, write it as 10000)

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Answer: 176000



FAME Corporation is authorized to issue 1,000,000 shares of \$1 par value common stock, and 200,000 shares of 10%, \$5 par value preferred stock. During 2019, the company has the following stock transactions.

Entry 1 Issued 400,000 common shares of stock at \$3 cash per share.

Entry 2 Issued 30,000 preferred shares to purchase a land advertised for sale at \$300,000. On this day, the preferred stock had a market price of \$9 per share.

Entry 3 Purchased 10,000 of its common shares from the market for the treasury, when the market price per common share was \$4.

Entry 4 Sold 2,000 shares of its treasury stock for \$6 per share.

Question: The number of issued common shares is.....

NOTE: (When writing your answer do not use commas or sign of the dollar. For example, if your answer is \$10,000, write it as 10000)

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Answer: 1148000

x

The correct answer is: 400000

Active Corporation is authorized to issue 2,000,000 shares of \$1 par value common stock, and 200,000 shares of 10%, \$ 10 par value preferred Stock. During 2019, the company has the following stock transactions.

Entry 1 Issued 620,000 common shares of stock at \$2 cash per share.

Entry 2 Issued 25,000 preferred shares to purchase a land advertised for sale at \$ 320,000. On this day, the preferred stock had a market price of \$ 12 per share.

Entry 3 Purchased 60,000 of its common shares from the market for the treasury, when the market price per common share was \$ 3.

Entry 4 Sold 20,000 shares of its treasury stock for \$ 5 per share.

Question: In entry 2, Land will be debited for.....

NOTE: (When writing your answer do not use commas or sign of the dollar. For example, if your answer is \$10,000, write it as 10000)

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Answer: 300000



FAME Corporation is authorized to issue 1,000,000 shares of \$1 par value common stock, and 200,000 shares of 10%, \$ 5 par value preferred Stock. During 2019, the company has the following stock transactions.

Entry 1 Issued 400,000 common shares of stock at \$3 cash per share.

Entry 2 Issued 30,000 preferred shares to purchase a land advertised for sale at \$ 300,000. On this day, the preferred stock had a market price of \$ 9 per share.

Entry 3 Purchased 10,000 of its common shares from the market for the treasury, when the market price per common share was \$ 4.

Entry 4 Sold 2,000 shares of its treasury stock for \$ 6 per share.

Question: The number of issued common shares is.....

NOTE: (When writing your answer do not use commas or sign of the dollar. For example, if your answer is \$10,000, write it as 10000)

يرجى كتابة الاجابة - الرقم فقط- في المكان المخصص

Answer: 1148000

✘

The correct answer is: 400000

The declaration of a stock dividend decreases a corporation's stockholders' equity and increases its liabilities.

Select one:

- a. FALSE
- b. TRUE



The correct answer is: FALSE

Earnings per share is calculated by dividing net income by the weighted-average number of shares of preferred stock and common stock outstanding.

Select one:

- a. TRUE
- b. FALSE



The correct answer is: FALSE

Early in 2020, Sporty corporation issued 150,000 common shares (\$ 1 par value). During the year, a 10% stock dividends was declared and distributed to shareholders. After that, the company purchased 10,000 of these shares as Treasury stock.

At year end, a stock split of 1: 2 was approved and implemented by the company.

The number of issued shares at year end is.....

NOTE: (When writing your answer do not use commas or sign of the dollar. For example, if your answer is \$10,000, write it as 10000)

يرجى كتابة الاجابة - الرقم فقط- في المكان المخصص

Answer: 20000

✘

Nick is admitted to an existing partnership by investing cash. Nick agrees to pay a bonus to old partners because of the past success of the partnership. When Nick's investment in the partnership is recorded

- a. his capital account will be credited for less than the cash he invested
- b. his capital account will be credited for the amount of cash he invested
- c. his capital account will be credited for more than the cash he invested
- d. a bonus will be credited for the amount of cash he invested ✘

The correct answer is: his capital account will be credited for less than the cash he invested

Income statements for corporations are the same as the statements for proprietorships except for the reporting of

Select one:

- a. income tax expense.
- b. other revenues and gains.
- c. gross profit.
- d. income from operations.



The correct answer is: income tax expense.

Somento Forest Inc. has 10,000 shares of 6%, \$100 par value, cumulative preferred stock and 100,000 shares of \$1 par value common stock outstanding at December 31, 2017. What is the annual dividend on the preferred stock?

Select one:

- a. \$60,000 in total
- b. \$0.60 per share
- c. \$100,000 in total
- d. \$60 per share



The correct answer is: \$60,000 in total

The straight-line depreciation method and the double-declining-balance depreciation method:

- a. Produce the same total depreciation over an asset's useful life.
- b. Are acceptable for tax purposes only.
- c. Produce the same book value each year.
- d. Produce the same depreciation expense each year.



The correct answer is: Produce the same total depreciation over an asset's useful life.

The depreciation method that produces larger depreciation expense during the early years of an asset's life and smaller expense in the later years is a(an):

- a. Accelerated depreciation method.
- b. Straight-line depreciation method.
- c. Book value depreciation method.
- d. Units-of-production depreciation method.



The correct answer is: Accelerated depreciation method.

Salvage value is:

- a. An estimate of the asset's value at the end of its benefit period. ✓
- b. A real value used to determining depreciation.
- c. A factor relevant to amortizing an intangible asset with an indefinite life.
- d. Not a factor relevant to determining depletion.

The correct answer is: An estimate of the asset's value at the end of its benefit period.

A change in an accounting estimate is:

- a. Reflected in current and future years' financial statements, not in prior statements. ✓
- b. Reflected in past financial statements.
- c. Not allowed under current accounting rules.
- d. Reflected in future financial statements and also requires modification of past statements.

The correct answer is: Reflected in current and future years' financial statements, not in prior statements.

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A company purchased a tract of land for its natural resources at a cost of \$1,500,000. It expects to mine 2,000,000 tons of ore from this land. The salvage value of the land is expected to be \$250,000. The depletion expense per ton of ore is:

- a. \$0.75.
- b. \$0.875.
- c. \$0.625.
- d. \$6.00.

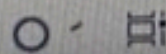
The correct answer is: \$0.625.

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An asset's book value is \$18,000 on December 31, Year 5. The asset has been depreciated at an annual rate of \$3,000 on the straight-line method. Assuming the asset is sold on December 31, Year 5 for \$15,000, the company should record:

- a. Neither a gain nor a loss is recognized on this transaction.
- b. A loss on sale of \$12,000.
- c. A gain on sale of \$12,000.
- d. A loss on sale of \$3,000.

The correct answer is: A loss on sale of \$3,000.



The useful life of a plant asset is:

- a. Its productive life, but not to exceed one year.
- b. The length of time it is productively used in a company's operations.
- c. Determined by the FASB.
- d. Never related to its physical life.

The correct answer is: The length of time it is productively used in a company's operations.

The characteristic of a partnership that gives the authority to any partner to legally bind the partnership and all other partners to business contracts is called

- a. unlimited liability
- b. ease of formation
- c. mutual agency
- d. dissolution

[Clear my choice](#)

Question 18

Not yet answered

Marked out of 1.00

 Flag question

When a partner invests noncash assets in a partnership, the assets should be recorded at their

A bond with a face value of \$200,000 and a quoted selling price of 102 has a selling price of

- a. \$240,000.
- b. \$204,000.
- c. \$200,000.
- d. all answers are wrong.

[Clear my choice](#)

Question 23

Not yet answered

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 Flag question

A company's income statement showed the following: net income, \$124,000 and depreciation expense, \$30,000. An examination of the company's current assets and current liabilities showed the following changes: accounts receivable decreased \$9,400; merchandise

The statement of cash flows reports and proves the net change in cash for a reporting period.

- a. TRUE
- b. FALSE

Clear my choice

The journal entry a company records for the issuance of bonds when the contract rate is greater than the market rate would be

- a. debit Bonds Payable, credit Cash
- b. debit Cash and Discount on Bonds Payable, credit Bonds Payable
- c. debit Cash, credit Premium on Bonds Payable and Bonds Payable
- d. debit Cash, credit Bonds Payable

[Clear my choice](#)

Question 11

Not yet answered

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Flag question

The process of allocating the cost of a plant asset to expense in the accounting periods benefiting from its use is called depletion.

- a. TRUE
- b. FALSE

[Clear my choice](#)

Question 12

Not yet answered

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Flag question

The double-declining balance method is applied by (1) computing the asset's straight-line depreciation rate, (2) doubling it, (3) subtracting

The cash received at the end of a busy day in a furniture store was \$28,000. This amount includes sales taxes of \$3,000. What is the percentage of sales taxes? (copy)

- a. 13.6%
- b. 12%
- c. 10.7%
- d. 9.6%

Clear my choice

Cash receipts and cash payments are classified as operating, investing, or financing activities on the statement of cash flows.

- a. TRUE
- b. FALSE

[Clear my choice](#)

When a partner invests in a partnership, his or her partnership capital account is debited for the amount invested.

- a. TRUE
- b. FALSE

[Clear my choice](#)

Question 4

Not yet answered

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A partnership may allocate salary allowances to the partners who spend more time working for the business.

- a. TRUE
- b. FALSE

On December 1, Victoria Company signed a 3 month, 6% note payable, with a face value of \$15,000. What amount of interest expense is accrued at December 31 on the note?

- a. \$0
- b. \$75
- c. \$900
- d. \$225

[Clear my choice](#)

Question 25

Not yet answered

Marked out of 1.00

 Flag question

A retained earnings statement shows the same information as a corporation income statement.

- a. TRUE
- b. FALSE

[Clear my choice](#)

Cash dividends are normally paid on shares of treasury stock.

- a. TRUE
- b. FALSE

[Clear my choice](#)

A short-term note payable:

- a. Is a written promise to pay a specified amount on a stated future date within one year or the company's operating cycle, whichever is longer.
- b. Is a contingent liability.
- c. Is an estimated liability.
- d. Is not a liability until the due date.

[Clear my choice](#)

Question 3

Not yet answered

Marked out of 1.00

 Flag question

When a partner invests in a partnership, his or her partnership capital account is debited for the amount invested.

The cash received at the end of a busy day in a furniture store was \$28,000. This amount includes sales taxes of \$3,000. What is the percentage of sales taxes?

- a. 10.7 %
- b. 12%.
- c. 13.6%.
- d. 9.6%.

[Clear my choice](#)

Question 22

Not yet answered

Marked out of 1.00

 Flag question

A bond with a face value of \$200,000 and a quoted selling price of 102 has a selling price of

- a. \$240,000.

A statement of cash flows explains the differences between the beginning and ending balances of:

- a. Net income.
- b. Equity.
- c. Cash and cash equivalents.
- d. Working capital.

[Clear my choice](#)

Question 10

Not yet answered

Marked out of 1.00

 Flag question

The statement of cash flows reports all but which of the following:

- a. Cash flows from operating activities.
- b. Cash flows from investing activities.

A partnership may allocate salary allowances to the partners who spend more time working for the business.

- a. TRUE
- b. FALSE

[Clear my choice](#)

A company's income statement showed the following: net income, \$124,000 and depreciation expense, \$30,000. An examination of the company's current assets and current liabilities showed the following changes: accounts receivable decreased \$9,400; merchandise inventory increased \$18,000; and accounts payable increased \$3,400. Calculate the net cash provided or used by operating activities.

- a. \$118,000.
- b. \$159,200.
- c. \$123,200.
- d. \$148,800.

[Clear my choice](#)

The interest rate investors demand for loaning funds is the

- a. market interest rate.
- b. stated rate.
- c. contractual interest rate.
- d. bond interest rate.

[Clear my choice](#)

Question 6

Not yet answered

Marked out of 1.00

[Flag question](#)

The journal entry a company records for the issuance of bonds when the contract rate is greater than the market rate would be

When a partner invests noncash assets in a partnership, the assets should be recorded at their

- a. book value.
- b. carrying value.
- c. fair value.
- d. original cost.

[Clear my choice](#)

The difference between the amount received from issuing a note payable and the amount repaid at maturity is referred to as:

- a. Interest.
- b. Principal.
- c. Face Value.
- d. Cash.

Clear my choice

Question 2

Not yet answered

Marked out of 1.00

Flag question

A short-term note payable:

- a. Is a written promise to pay a specified amount on a stated future date within

On 31/12/2020, the stockholders' equity of **BST Corporation** was as follows:

Paid in capital:

Preferred stock, \$ 100 par, authorized 20,000 shares, issued and Outstanding 4,000 shares	\$400,000
Common stock, \$ 5 par, authorized 2 million shares, issued and Outstanding ??????? shares	\$1,800,000
Common stock dividends distributable	\$90,000
Paid in capital in excess of par- common	\$200,000
Paid in capital in excess of par- preferred	\$82,000
Total paid in Capital	\$2,572,000
Retained Earnings	\$540,000
Total stockholders' Equity	\$3,112,000

In January 2021, the stock dividends was issued, and the company re-acquired some of

its common shares from the market, by paying \$240,000, when the market price was \$ 6

per share.

In January 2021, the stock dividends was issued, and the company re-acquired some of its common shares from the market, by paying \$240,000, when the market price was \$6 per share.

Required: how many shares are outstanding at the end of January 2021?

(Write your answer as a number only (no commas or \$ signs)).

Answer:

x