

The cumulative effect of the declaration and payment of a cash dividend on a company's financial statements is to

Select one:


- a. decrease total liabilities and stockholders' equity
- b. increase total expenses and total liabilities.
- c. decrease total assets and stockholders' equity
- d. decrease total expenses and total liabilities.

[Clear my choice](#)

Question 2

Not yet answered

Marked out of 1.00

 Flag question

Dividends Payable is classified as a

Select one:

- a. contra stockholders' equity account to Retained Earnings.
- b. long-term liability.
- c. current liability.
- d. stockholders' equity account.

[Clear my choice](#)

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

Select one:


- a. FALSE
- b. TRUE

[Clear my choice](#)

Question 12

Not yet answered

Marked out of 1.00

 Flag question

If a company has preferred stock, the preferred stock dividend is added to net income when computing earnings per common share.

Select one:

- a. TRUE
- b. FALSE

[Clear my choice](#)

A detailed stockholders' equity section in the balance sheet will list the names of individuals who are eligible to receive dividends on the date of record.

Select one:


- a. TRUE
- b. FALSE

[Clear my choice](#)

Question 10

Not yet answered

Marked out of 1.00

 Flag question



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Flag question

Rendezvous, Inc. has 10,000 shares of 5%, \$100 par value, noncumulative preferred stock and 20,000 shares of \$1 par value common stock outstanding at December 31, 2017. There were no dividends declared in 2016. The board of directors declares and pays a \$110,000 dividend in 2017. What is the amount of dividends received by the common stockholders in 2017?

Select one:

- a. \$50,000
- b. \$0
- c. \$110,000
- d. \$60,000

[Clear my choice](#)**Question 6**

Not yet answered

Marked out of 1.00

Flag question

All of the following are normally found in a corporation's stockholders' equity section except

Select one:

- a. Dividends in Arrears
- b. Paid-In Capital in Excess of Par
- c. Retained Earnings
- d. Common Stock

[Clear my choice](#)**Question 7**

Not yet answered

Marked out of 1.00



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5



The date on which a cash dividend becomes a binding legal obligation (liability) is called

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Select one:


- a. date of record.
- b. declaration date.
- c. last day of the fiscal year end.
- d. payment date.

[Clear my choice](#)

Question 8

Not yet answered

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 Flag question



Question 3

Not yet answered

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Flag question

A small stock dividend is defined as

Select one:

- a. less than 25% of the corporation's issued stock.
- b. between 50% and 100% of the corporation's issued stock.
- c. more than 30% of the corporation's issued stock.
- d. less than 30% but greater than 25% of the corporation's issued stock.

[Clear my choice](#)

Question 4

Not yet answered

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Flag question

A corporation has 40,000 shares of \$25 par value stock outstanding. If the corporation issues a 3-for-1 stock split, the number of shares outstanding after the split will be

Select one:

- a. 80,000 shares
- b. 120,000 shares
- c. 13,333 shares
- d. 40,000 shares

[Clear my choice](#)

Next page

**Question 15**

Not yet answered

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Flag question

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:

Question 16

Not yet answered

Marked out of 1.50


Flag question

قبل بدقيقة

Question 18

Correct

Mark 1.50 out of 1.50

 Flag question

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%

6,000 share- Cumulative preferred stock, \$ 100 par, 5%.

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:

[Finish review](#)[◀ Test 2- Chapter 12 \(20%\) - Make up Only](#)



Flag question

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:

[Next page](#)

Marked out of 1.50

Flag question

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 outstanding 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:

Question 18

Not yet answered

Marked out of 1.50

Flag question