

ACCT230
Online Quiz Ch13

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Question 1

Correct

Mark 1.00 out of 1.00

Flag question

If no-par stock is issued without a stated value, then

Select one:

- a. there is no legal capital.
- b. the corporation is automatically in violation of its state charter.
- c. the entire proceeds are considered to be legal capital. ✓
- d. the par value is automatically \$1 per share.

Question 2

Correct

Mark 1.00 out of 1.00

Flag question

Which of the following is not true of a corporation?

Select one:

- a. It may enter into binding legal contracts in its own name.
- b. The acts of its owners bind the corporation. ✓
- c. It may buy, own, and sell property.
- d. It may sue and be sued.

Question 3

Correct

Mark 1.00 out of 1.00

Flag question

What is the total stockholders' equity based on the following account balances: Common Stock \$ 450,000, Paid-In Capital in Excess of Par \$ 90,000, Retained Earnings \$ 190,000, and Treasury Stock \$10,000

Select one:

- a. \$720,000 ✓
- b. \$730,000
- c. \$740,000
- d. \$640,000

Question 4

Correct

Mark 1.00 out of 1.00

Flag question

Stockholders' equity

Select one:

- a. is shown on the income statement
- b. is usually equal to cash on hand
- c. includes retained earnings and paid-in capital ✓
- d. includes paid-in capital and liabilities

Question 5

Correct

Mark 1.00 out of 1.00

Flag question

Which of the following is not characteristic of a corporation?

Select one:

- a. The financial loss that a stockholder may suffer from owning stock in a public company is limited.
- b. Cash dividends paid by a corporation are deductible as expenses by the corporation. ✓
- c. A corporation can own property in its name.
- d. Corporations are required to pay income taxes.

Question 6

Correct

Mark 1.00 out of 1.00

Flag question

Treasury stock shares are

Select one:

- a. issued shares that have been reacquired (purchased back) by a corporation ✓
- b. part of the total outstanding shares but not part of the total issued shares of a corporation
- c. shares held by the U.S. Treasury Department
- d. unissued shares that are held by the treasurer of the corporation

Question 7

Correct

Mark 1.00 out of 1.00

Flag question

The issuance of common stock affects both paid-in capital and retained earnings.

Select one:

- a. FALSE ✓
- b. TRUE

Question 8

Correct

Mark 1.00 out of 1.00

Flag question

Corporations are required to pay income taxes.

Select one:

- a. TRUE ✓
- b. FALSE

Question 9

Correct

Mark 1.00 out of 1.00

Flag question

Preferred stockholders generally do not have the right to vote for the board of directors.

Select one:

- a. TRUE ✓
- b. FALSE

Question 10

Correct

Mark 1.00 out of 1.00

Flag question

If 50,000 shares are authorized, 41,000 shares are issued, and 2,000 shares are reacquired (purchased back by the corporation), the number of outstanding shares is 43,000.

Select one:

- a. TRUE
- b. FALSE ✓