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: 316000 Accounting 230 ▶ ■ Quiz # 3- Chapter 13 Jump to ... \$

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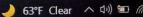
















The Dayton Corporation began the current year with a retained earnings balance of \$25,000. During the year, the company corrected an error made in the prior year, which was a failure to record depreciation expense of \$3,000 on equipment. Also during the current year, the company earned net income of \$12,000 and declared cash dividends of \$5,000. Compute the year end retained earnings balance.

- a. \$29,000
- o b. \$35,000
- oc. \$39,000
- d. \$45,000

## 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 a	ind
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.

De maine de la sur reagne shares are outstanding at the and of January 20212

Question 1

Correct

Mark 1.00 out of 1.00

P Flag question The amount of a cash dividend liability is recorded on the date of record because it is on that date that the persons or entities who will receive the dividend are identified.

- oa. TRUE
- b. FALSE

Question 2

Correct

Mark 1.00 out of 1.00

P Flag question The primary purpose of a stock split is to reduce the number of shares outstanding in order to encourage more investors to enter the market for the company's shares.

- O a. TRUE
- b. FALSE

# Each of the following decreases total stockholders' equity except a a. cash dividend b. net loss. c. stock dividend. d. All of these decrease total stockholders' equity. Income statements for corporations are the same as the statements for proprietorships except for the reporting of a. gross profit. b. income from operations.

c. income tax expense.

d. other revenues and gains.

### Corporations generally issue stock dividends in order to

- a. increase the market price per share.
- b. exceed stockholders' dividend expectations.
- c. increase the marketability of the stock.
- d. decrease the amount of capital in the corporation.

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 2222222 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

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:

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

Question 4

Correct

Mark 1.00 out of 1.00

P Flag question Burnell, Inc. has 5,000 shares of 4%, \$50 par value, cumulative preferred stock and 100,000 shares of \$1 par value common stock outstanding at December 31, 2016, and December 31, 2017. The board of directors declared and paid a \$9,000 dividend in 2016. In 2017, \$30,000 of dividends are declared and paid. What are the dividends received by the preferred and common shareholders in 2017?

- a. Preferred \$18,000 and common \$12,000
- b. Preferred \$15,000 and common \$15,000
- c. Preferred \$11,000 and common \$19,000
- d. Preferred \$10,000 and common \$20,000

Question 5 Correct

Mark 1.00 out of 1.00

P Flag question Outstanding stock of the Larson Corporation included 40,000 shares of \$5 par common stock and 10,000 shares of 5%, \$10 par non-cumulative preferred stock. In 2016, Larson declared and paid dividends of \$4,000. In 2017, Larson declared and paid dividends of \$12,000. How much of the 2017 dividend was distributed to preferred shareholders?

- a. \$6,000
- b. \$7,000
- c. \$5,000
- d. None of these answer choices are correct

Question 6

What is the total stockholders' equity based on the following account balances?