

Question 15

Correct

Mark 1.00 out of 1.00

Flag question

Nexis Corp. issues 1,000 shares of \$15 par value common stock at \$25 per share. When the transaction is recorded, credits are made to:

- a. Common Stock \$15,000 and Paid-in Capital in Excess of Stated Value \$10,000.
- b. Common Stock \$25,000 and Retained Earnings \$15,000.
- c. Common Stock \$25,000.
- d. Common Stock \$15,000 and Paid-in Capital in Excess of Par Value \$10,000. ✓

Finish review

◀ Mid Term Examination,
Thursday 6-5-2021, @ 4:00
p.m

Jump to...

Quiz # 4- Chapter 14,
Saturday 5-6-2021 @ 4:30
p.m ▶



LALALAND Corporation was organized on 1/1/2020. It was authorized to issue 2 million, \$1 par, common stock. During the year, the company had the following transactions:

January 5- Issued 400,000 common shares for cash, at \$ 1.00 each.

February 7- issued 250,000 common shares for cash, at \$ 1.50 each.

April 3- Reacquired 10,000 of its common shares, by paying \$ 3,00 per share.

June 17- Sold 5,000 of its treasury stock, at a price of \$ 4,00 per share.

September 20- Sold all the remaining treasury stock it has, at a price of \$ 3.2 per share.

October 30- Reacquired 20,000 of its common shares, at \$ 2.5 per share.

Question: What is the dollar value of **Total Stockholders' Equity**, at year end?

(Note: write your answer as a number only, with no \$ signs or commas.)

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Answer: 731000



The par value of stock is an arbitrary per share amount that is generally defined as legal capital.

- a. TRUE
- b. FALSE



If Everly Company issues 1,000 shares of \$5 par value common stock for \$75,000, the account

- a. Cash will be debited for \$70,000.
- b. Common Stock will be credited for \$75,000.
- c. Paid-in Capital in excess of Par Value will be credited for \$5,000.
- d. Paid-in Capital in excess of Par Value will be credited for \$70,000. ✓

Which of the following amounts should be disclosed in the stockholders' equity section of the balance sheet?

- a. all answers are correct
- b. the number of shares of common stock outstanding
- c. the number of shares of common stock issued
- d. the number of shares of common stock authorized



The charter of a corporation provides for the issuance of 100,000 shares of common stock. Assume that 45,000 shares were originally issued and 5,000 were subsequently reacquired (purchased back). What is the number of shares outstanding?

- a. 5,000
- b. 45,000
- c. 50,000
- d. 40,000



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Question: How many common shares are outstanding at year end?

(Note: write your answer as a number only, with no \$ signs or commas.)

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Answer: 630000



Started on Friday, 28 May 2021, 3:00 PM

State Finished

Completed on Friday, 28 May 2021, 3:37 PM

Time taken 36 mins 58 secs

Grade 12.00 out of 15.00 (80%)

Question 1

Correct

Mark 1.00 out of 1.00

Flag question

The two main sources of stockholders' equity are investments contributed by stockholders and net income retained in the business.

- a. FALSE
- b. TRUE



Question 2

Correct

Mark 1.00 out of 1.00

Flag question

Treasury stock shares are

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



Question 3

Correct

The number of shares of outstanding stock is equal to the number of shares issued minus the number of shares in the treasury (treasury stock).

The excess of issue price over par of common stock is termed a(n)

- a. Additional paid in capital
- b. Deficit
- c. Discount
- d. Income



Stockholders' equity

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



The charter of a corporation provides for the issuance of 100,000 shares of common stock. Assume that 60,000 shares were originally issued and 10,000 were subsequently reacquired (purchased back). What is the number of shares issued?

- a. 70,000
- b. 60,000
- c. 40,000
- d. 50,000



The number of shares of outstanding stock is equal to the number of shares issued minus the number of shares in the treasury (treasury stock).

- a. TRUE
- b. FALSE

