

## Stockholders' Equity

ABC Inc was granted its charter by the state on 1/1/16. Its board authorized the issuance 2,500 shares of \$1 par common stock and 1,500 shares of \$10 par, 6%, preferred stock. In 2016, ABC generated a profit of \$22,000 and had the following transactions take place:

1/1/2016 Issued 1,000 shares of \$1 par common stock for \$10/share.

1/5/2016 Issued 500 shares of \$10 par preferred stock for \$15/share.

4/30/2016 Repurchased 100 share of common stock at \$18/share.

6/30/2016 Reissued 60 shares of treasury stock at \$26/share.

8/15/2016 Issued 200 shares of \$10 par preferred stock at \$20/share.

9/30/2016 Reissued 25 shares of treasury stock at \$16/share.

12/1/2016 Declared the preferred dividend and a \$0.50/share dividend to common shareholders of record on 12/15/16.

12/15/2016 Compiled a list of shareholders.

12/31/2016 Paid the preferred and common dividend.

|                              |           |          |               |
|------------------------------|-----------|----------|---------------|
| 1/1/2016 Cash                | \$ 10,000 |          |               |
| Common Stock                 |           | \$ 1,000 |               |
| APIC - CS                    |           | \$ 9,000 |               |
| 1/5/2016 Cash                | \$ 7,500  |          |               |
| Preferred Stock              |           | \$ 5,000 |               |
| APIC - PS                    |           | \$ 2,500 |               |
| 4/30/2016 Treasury Stock     | \$ 1,800  |          |               |
| Cash                         |           | \$ 1,800 |               |
| 6/30/2016 Cash               | \$ 1,560  |          |               |
| Treasury Stock               |           | \$ 1,080 |               |
| APIC - TS                    |           | \$ 480   |               |
| 8/15/2016 Cash               | \$ 4,000  |          |               |
| Preferred Stock              |           | \$ 2,000 |               |
| APIC - PS                    |           | \$ 2,000 |               |
| 9/30/2016 Cash               | \$ 400    |          |               |
| APIC - TS                    | \$ 50     |          |               |
| Treasury Stock               |           | \$ 450   |               |
| 12/1/2016 Dividends          | \$ 420    |          |               |
| Dividends Payable            |           | \$ 420   | Preferred Div |
| 12/1/2016 Dividends          | \$ 493    |          |               |
| Dividends Payable            |           | \$ 493   | Common Div    |
| 12/31/2016 Dividends Payable | \$ 913    |          |               |
| Cash                         |           | \$ 913   |               |

| Common Stock |          |
|--------------|----------|
|              | \$ - BB  |
|              | \$ 1,000 |
|              |          |
|              | \$ 1,000 |

| APIC - CS |          |
|-----------|----------|
|           | \$ - BB  |
|           | \$ 9,000 |
|           |          |
|           | \$ 9,000 |

| Preferred Stock |          |
|-----------------|----------|
|                 | \$ - BB  |
|                 | \$ 5,000 |
|                 | \$ 2,000 |
|                 |          |
|                 | \$ 7,000 |

| APIC - PS |          |
|-----------|----------|
|           | \$ - BB  |
|           | \$ 2,500 |
|           | \$ 2,000 |
|           |          |
|           | \$ 4,500 |

| Treasury Stock |          |
|----------------|----------|
| \$ -           |          |
| \$ 1,800       |          |
|                | \$ 1,080 |
|                | \$ 450   |
| \$ 270         |          |

| APIC - TS |         |
|-----------|---------|
|           | \$ - BB |
|           | \$ 480  |
| \$ 50     |         |
|           |         |
|           | \$ 430  |

|              |              |
|--------------|--------------|
| Beg RE       | \$ -         |
| + Net Income | \$ 22,000.00 |
| - Div        | \$ 913.00    |
| = End Re     | \$ 21,087.0  |

ABC Inc  
Partial Balance Sheet  
12/31/2016

Contributed Capital

|                                                                                           |    |               |
|-------------------------------------------------------------------------------------------|----|---------------|
| Preferred Stock, \$10 par, 6%, 1,500<br>authorized, 700 issued & outstanding              | \$ | 7,000         |
| APIC - PS                                                                                 | \$ | 4,500         |
| Common Stock, \$1 par, 1,500<br>authorized, 1,000 issued, 985<br>outstanding, 15 Treasury | \$ | 1,000         |
| APIC - CS                                                                                 | \$ | 9,000         |
| APIC - TS                                                                                 | \$ | 430           |
| Total Contributed Capital                                                                 | \$ | 21,930        |
| Retained Earnings                                                                         | \$ | 21,087        |
| Treasury Stock                                                                            | \$ | (270)         |
| Total Stockholders' Equity                                                                | \$ | <u>42,747</u> |