In Class Assignments Corporations Student Version Wild 22e

QS 13-2

Issuance of common stock P1

Prepare the journal entry to record Zende Company's issuance of 75,000 shares of $5 par value common stock assuming the shares sell for:

1. $5 cash per share.
2. $6 cash per share.

QS 13-3

Issuance of par and stated value common stock P1

Prepare the journal entry to record Jevonte Company's issuance of 36,000 shares of its common stock assuming the shares have a:

1. $2 par value and sell for $18 cash per share.
2. $2 stated value and sell for $18 cash per share.

Exercise 13-2

Accounting for par, stated, and no-par stock issuances P1

Rodriguez Corporation issues 19,000 shares of its common stock for $152,000 cash on February 20. Prepare journal entries to record this event under each of the following separate situations.

1. The stock has a $2 par value.
2. The stock has neither par nor stated value.
3. The stock has a $5 stated value.

Exercise 13-3

Recording stock issuances P1

Prepare journal entries to record the following four separate issuances of stock.

1. A corporation issued 4,000 shares of $5 par value common stock for $35,000 cash.
2. A corporation issued 2,000 shares of no-par common stock to its promoters in exchange for their efforts, estimated to be worth $40,000. The stock has a $1 per share stated value.
3. A corporation issued 2,000 shares of no-par common stock to its promoters in exchange for their efforts, estimated to be worth $40,000. The stock has no stated value.
4. A corporation issued 1,000 shares of $50 par value preferred stock for $60,000 cash.

Exercise 13-4

Stock issuance for noncash assets P1

Sudoku Company issues 7,000 shares of $7 par value common stock in exchange for land and a building. The land is valued at $45,000 and the building at $85,000. Prepare the journal entry to record issuance of the stock in exchange for the land and building.

QS 13-11

Purchase and sale of treasury stock P3

On May 3, Zirbal Corporation purchased 4,000 shares of its own stock for $36,000 cash. On November 4, Zirbal reissued 850 shares of this treasury stock for $8,500. Prepare the May 3 and November 4 journal entries to record Zirbal's purchase and reissuance of treasury stock.



QS 13-9

Preferred stock issuance and dividends C2

1. Prepare the journal entry to record Tamasine Company's issuance of 5,000 shares of $100 par value, 7% cumulative preferred stock for $102 cash per share.
2. Assuming the facts in part 1, if Tamasine declares a year-end cash dividend, what is the amount of dividend paid to preferred shareholders? (Assume no dividends in arrears.)

Exercise 13-8

Dividends on common and noncumulative preferred stock C2

York's outstanding stock consists of 80,000 shares of *noncumulative* 7.5% preferred stock with a $5 par value and also 200,000 shares of common stock with a $1 par value. During its first four years of operation, the corporation declared and paid the following total cash dividends:



Determine the amount of dividends paid each year to each of the two classes of stockholders: preferred and common. Also compute the total dividends paid to each class for the four years combined.

Check  4-year total paid to preferred, $108,000

Exercise 13-9

Dividends on common and cumulative preferred stock C2

Use the data in Exercise 13-8 to determine the amount of dividends paid each year to each of the two classes of stockholders assuming that the preferred stock is *cumulative.* Also determine the total dividends paid to each class for the four years combined.

QS 13-7

Accounting for small stock dividend P2

The stockholders' equity section of Jun Company's balance sheet as of April 1 follows. On April 2, Jun declares and distributes a 10% stock dividend. The stock's per share market value on April 2 is $20 (prior to the dividend). Prepare the stockholders' equity section immediately after the stock dividend.

