**Common Stock**

BE11.2 (LO 2), AP On May 10, Pilar Corporation issues 2,500 shares of $5 par value common stock for cash at $13 per share. Journalize the issuance of the stock.

BE11.3 (LO 2), AP On June 1, Forrest Inc. issues 3,000 shares of no-par common stock at a cash price of $7 per share. Journalize the issuance of the shares.

E11.3 (LO 2), AP During its first year of operations, Mona Corporation had these transactions pertaining to its common stock.

Jan. 10 Issued 30,000 shares for cash at $5 per share.

July  1 Issued 60,000 shares for cash at $7 per share.

a. Journalize the transactions, assuming that the common stock has a par value of $5 per share.

b. Journalize the transactions, assuming that the common stock is no-par with a stated value of $1 per share.

**Preferred Stock**

BE11.4 (LO 2), AP Layes Inc. issues 8,000 shares of $100 par value preferred stock for cash at $106 per share. Journalize the issuance of the preferred stock.

**Treasury Stock**

BE11.5 (LO 2), AP On July 1, Raney Corporation purchases 500 shares of its $5 par value common stock for the treasury at a cash price of $9 per share. Journalize the treasury stock transaction.

**Common, Preferred, Treasury**

E11.4 (LO 2), AP Sagan Co. had these transactions during the current period.

Journalize issuance of common stock and preferred stock and purchase of treasury stock.

June 12 Issued 80,000 shares of $1 par value common stock for cash of $300,000.

July  11 Issued 3,000 shares of $100 par value preferred stock for cash at $106 per share.

Nov. 28 Purchased 2,000 shares of treasury stock for $9,000.

**Cash Dividends**

BE11.6 (LO 3), AP Basse Corporation has 7,000 shares of common stock outstanding. It declares a $1 per share cash dividend on November 1 to stockholders of record on December 1. The dividend is paid on December 31. Prepare the entries on the appropriate dates to record the declaration and payment of the cash dividend.

**Cash Dividends**

E11.9 (LO 3), AP On January 1, Graves Corporation had 60,000 shares of no-par common stock issued and outstanding. The stock has a stated value of $4 per share. During the year, the following transactions occurred.

Apr 1 Issued 9,000 additional shares of common stock for $11 per share.

June 15 Declared a cash dividend of $1.50 per share to stockholders of record on June 30.

July 10 Paid the $1.50 cash dividend.

Dec. 1 Issued 4,000 additional shares of common stock for $12 per share.

Dec 15 Declared a cash dividend on outstanding shares of $1.60 per share to stockholders of record on December 31.

a. Prepare the entries, if any, on each of the three dates that involved dividends.

b. How are dividends and dividends payable reported in the financial statements prepared at December 31?

**Preferred/Common Dividends**

BE11.7 (LO 3), AP M. Bot Corporation has 10,000 shares of 8%, $100 par value, cumulative preferred stock outstanding at December 31, 2022. No dividends were declared in 2020 or 2021. If M. Bot wants to pay $375,000 of dividends in 2022, what amount of dividends will common stockholders receive?

**Preferred/Common Dividends**

E11.10 (LO 3), AP Knudsen Corporation was organized on January 1, 2021. During its first year, the corporation issued 2,000 shares of $50 par value preferred stock and 100,000 shares of $10 par value common stock.

At December 31, the company declared the following cash dividends: 2021, $5,000; 2022, $12,000; and 2023, $28,000.

Allocate cash dividends to preferred and common stock.

Instructions

a. Show the allocation of dividends to each class of stock, assuming the preferred stock dividend is 6% and noncumulative.

b. Show the allocation of dividends to each class of stock, assuming the preferred stock dividend is 7% and cumulative.

c. Journalize the declaration of the cash dividend at December 31, 2023, under part (b).

**Stock Dividend**

BE11.8 (LO 3), AP The stockholders' equity section of Mabry Corporation's balance sheet consists of common stock ($8 par) $1,000,000 and retained earnings $300,000. A 10% stock dividend (12,500 shares) is declared when the market price per share is $19.

Show the before-and-after effects of the dividend on (a) the components of stockholders' equity and (b) the shares outstanding.

**Stock Dividends/Stock Split**

E11.11 (LO 3), AP On October 31, the stockholders' equity section of Manolo Company's balance sheet consists of common stock $648,000 and retained earnings $400,000.

Manolo is considering the following two courses of action:

(1) declaring a 5% stock dividend on the 81,000 $8 par value shares outstanding or

(2) effecting a 2-for-1 stock split that will reduce par value to $4 per share. The current market price is $17 per share.

Prepare a tabular summary of the effects of the alternative actions on the company's stockholders' equity and outstanding shares. Use these column headings: Before Action, After Stock Dividend, and After Stock Split.

**SE Section of Balance Sheet**

BE11.10 (LO 4), AP Sudz Corporation has these accounts at December 31: Common Stock, $10 par, 5,000 shares issued, $50,000; Paid-in Capital in Excess of Par Value $22,000; Retained Earnings $42,000; and Treasury Stock, 500 shares, $11,000. Prepare the stockholders' equity section of the balance sheet.

P11.1A (LO 2, 4), AP Tidal Corporation was organized on January 1, 2022. It is authorized to issue 20,000 shares of 6%, $50 par value preferred stock and 500,000 shares of no-par common stock with a stated value of $1 per share. The following stock transactions were completed during the first year.

Journalize stock transactions, post, and prepare paid-in capital section.

Jan. 10 Issued 70,000 shares of common stock for cash at $4 per share.

Mar. 1 Issued 12,000 shares of preferred stock for cash at $53 per share.

May 1 Issued 120,000 shares of common stock for cash at $6 per share.

Sept. 1 Issued 5,000 shares of common stock for cash at $5 per share.

Nov. 1 Issued 3,000 shares of preferred stock for cash at $56 per share.

a. Journalize the transactions.

b. Post to the stockholders' equity accounts. (Use T-accounts.)

c. Prepare the paid-in capital portion of the stockholders' equity section at December 31, 2022.

Hint: Tot. paid-in capital $1,829,000

P11.3A (LO 2, 3, 4), AP On December 31, 2021, Jons Company had 1,300,000 shares of $5 par common stock issued and outstanding. At December 31, 2021, stockholders' equity had the amounts listed here.

Prepare a stockholders' equity section.

Common Stock    $6,500,000

Additional Paid-in Capital 1,800,000

Retained Earnings 1,200,000

Transactions during 2022 and other information related to stockholders' equity accounts were as follows.

1. On January 10, issued at $107 per share 120,000 shares of $100 par value, 9% cumulative preferred stock.

2. On February 8, reacquired 15,000 shares of its common stock for $11 per share.

3. On May 9, declared the yearly cash dividend on preferred stock, payable June 10, to stockholders of record on May 31.

4. On June 8, declared a cash dividend of $1.20 per share on the common stock outstanding, payable on July 10 to stockholders of record on July 1.

5. Net income for 2022 was $3,600,000.

a. Record the journal entries that are required for items 1–5 above.

Hint: Tot. stockholders' equity $23,153,000

b. Prepare the stockholders' equity section of Jons' balance sheet at December 31, 2022.