**P2-11** Changes in stockholders’ equity Listed are the equity sections of balance sheets for years 2008 and 2009 as reported by Mountain Air Ski Resorts, Inc. The overall value of stockholders’ equity has risen from $2,000,000 to $7,500.000. Use the statements to discover how and why this happened.

**Mountain Air Ski Resorts, Inc.**

**Balance Sheets (partial)**

**Stockholders’ equity 2008 2009**

Common stock ($1.00 par)

Authorized – 5,000,000 share

Outstanding – 1,500,000 share 2009 $1,500,000

* 500,000 share 2008 $ 500,000

Paid – in capital in excess of par 500,000 4,500,000

Retained earnings 1,000,000 1,500,000

Total stockholders’ equity $2,000, 000 $7,500,000

The company paid total dividends of $200,000 during fiscal 2009.

**a**. What was Mountain Air’s net income for?

**b.** How many new shares did the corporation issue and sell during the year?

**c**. At what average price per share did the new stock sold during 2009 sell?

**d.** At what price per share did Mountain Air’s original 500,000 shares sell?