3.

The stockholders’ equity section of Linton Corporation at December 31 is as follows.

LINTON CORPORATION

Balance Sheet (partial)

Paid-in capital

Preferred stock, cumulative, 10,000 shares authorized,

5,000 shares issued and outstanding $ 300,000

Common Stock, no par, 750,000 shares authorized, 300,000 shares issued 1,500,000

Total paid-in capital 1,800,000

Retained earnings 2,050,000

Total paid-in capital and retained earnings 3,850,000

Less: Treasury stock (5,000 common shares) (64,000)

Total stockholders' equity $3,786,000

(a) How many shares of common stock are outstanding?

(b) Assuming there is a stated value, what is the stated value of the common stock?

(c) What is the par value of the preferred stock?

(d) If the annual dividend on preferred stock is $18,000, what is the dividend rate on preferred stock?

(e) If dividends of $36,000 were in arrears on preferred stock, what would be the balance in Retained Earnings?