Mary Janane's capital statement reveals that her drawings during the year were $50,000. She made an additional capital investment of $25,000 and her share of the net loss for the year was $10,000. Her ending capital balance was $200,000. What was Mary Janane's beginning capital balance?

|  |  |
| --- | --- |
|  | $260,000. |

|  |  |
| --- | --- |
|  | $225,000. |

|  |  |
| --- | --- |
|  | $185,000. |

|  |  |
| --- | --- |
|  | $235,000. |

Venco Corporation's December 31, 2010 balance sheet showed the following:

|  |  |
| --- | --- |
| 8% preferred stock, $20 par value, cumulative, 10,000 shares |  |
| authorized; 7,500 shares issued | $150,000 |
| Common stock, $10 par value, 1,000,000 shares authorized; |  |
| 975,000 shares issued, 960,000 shares outstanding | 9,750,000 |
| Paid-in capital in excess of par value—preferred stock | 30,000 |
| Paid-in capital in excess of par value—common stock | 13,500,000 |
| Retained earnings | 3,750,000 |
| Treasury stock (15,000 shares) | 315,000 |

Venco’s total paid-in capital was

|  |  |
| --- | --- |
|  | $23,430,000. |

|  |  |
| --- | --- |
|  | $23,745,000. |

|  |  |
| --- | --- |
|  | $23,115,000. |

|  |  |
| --- | --- |
|  | $13,080,000. |

Legal capital per share cannot be equal to the

|  |  |
| --- | --- |
|  | total proceeds from the sale of par value stock above par value. |

|  |  |
| --- | --- |
|  | par value per share of par value stock. |

|  |  |
| --- | --- |
|  | stated value per share of no-par value stock. |

|  |  |
| --- | --- |
|  | total proceeds from the sale of no-par value stock. |

Retro Company is authorized to issue 10,000 shares of 8%, $100 par value preferred stock and 500,000 shares of no-par common stock with a stated value of $1 per share. If Retro issues 5,000 shares of common stock to pay its recent attorney's bill of $20,000 for legal services on a land access dispute, which of the following would be the journal entry for Retro to record?

|  |  |  |
| --- | --- | --- |
| Legal Expense | 5,000 |  |
| Common Stock |  | 5,000 |
| Legal Expense | 20,000 |  |
| Common Stock |  | 20,000 |
| Legal Expense | 20,000 |  |
| Common Stock |  | 5,000 |
| Paid-in Capital in Excess of Stated Value – Common |  | 15,000 |
| Legal Expense | 20,000 |  |
| Common Stock |  | 5,000 |
| Paid-in Capital in Excess of Par – Preferred |  | 15,000 |

The return on common stockholders' equity is computed by dividing

|  |  |
| --- | --- |
|  | net income by average common stockholders' equity. |

|  |  |
| --- | --- |
|  | net income minus preferred dividends by average common stockholders' equity. |

|  |  |
| --- | --- |
|  | net income minus preferred dividends by ending common stockholders' equity. |

|  |  |
| --- | --- |
|  | net income by ending common stockholders' equity. |

Cuther Inc., has 1,000 shares of 6%, $50 par value, cumulative preferred stock and 50,000 shares of $1 par value common stock outstanding at December 31, 2009, and December 31, 2010. The board of directors declared and paid a $2,000 dividend in 2009. In 2010, $12,000 of dividends are declared and paid. What are the dividends received by the common stockholders in 2010?

|  |  |
| --- | --- |
|  | $3,000 |

|  |  |
| --- | --- |
|  | $8,000 |

|  |  |
| --- | --- |
|  | $6,000 |

|  |  |
| --- | --- |
|  | $4,000 |