

Handout #14

College: _____ Day(s): _____ Name: _____

CASH DIVIDENDS

Jones Corp. has 200,000 shares of stock authorized, 120,000 shares issued, and 100,000 shares outstanding. On August 1, 2014, Jones' Board of Directors declared a cash dividend of \$0.50 per share, with a date of record of September 1, 2014. The dividend will be paid on October 1, 2014.

Prepare the journal entries required to record the transactions described above, as needed, and then post them to the related T-accounts:

Date of declaration:

Post the above JE to the T-accounts below:			

Date of record:

Post the above JE to the T-accounts below?			

Date of payment:

Post the above JE to the T-accounts below:			

Handout #14

STOCK DIVIDENDS AND STOCK SPLITS

Jennings Corp. has 1,000,000 shares of \$1 par value stock authorized, 200,000 shares issued, and 150,000 shares outstanding. On June 1, 2014, Jennings' Board of Directors declared a 10% stock dividend at a time that the stock carried a market value of \$30.

Prepare the journal entry required to record the transaction described above and then post it to the related T-accounts:

Post the above JE to the T-accounts below:			

Compute the number of shares outstanding after the June 1, 2014 stock dividend.

Jennings Corp. announced a 100% stock dividend on June 1, 2015.

Prepare the journal entry required to record the transaction described above and then post it to the related T-accounts:

Post the above JE to the T-accounts below:			

Compute the number of shares outstanding after the June 1, 2015 stock dividend.

Please do not write below this line. For use by Prof. Mares

Bonus points given _____/3