ACG2021 Unit 4 Learning Commons Review

1. On Sept 1, Cooper Company borrows $80,000 from New National Bank by signing a 6-month, 6% note. All interest and principal will be paid at maturity.

(a) Prepare the entry on Sept 1 when the note was issued.
(b) Prepare the Dec. 31 adjusting entry for accrued interest.
(c) Prepare the entry to record payment of the note at maturity.

2. During the month of January, Preston Company's employees earned salaries and wages of $90,000. Withholdings were $6,885 for Social Security (FICA), $14,200 for federal income tax. The company's unemployment tax was $3,150. Employees are paid on January 31.

(a) Prepare the January 31 journal entry to record the payroll for January.
(b) Prepare the entry to record the company's payroll tax expense for January.

3. Shannon Company issued $3,000,000, 4.5%, 10-year bonds on January 1, 2024.

(a) Prepare the journal entry to record the issuance of the bonds if they sell at 96.
(b) Prepare the journal entry to record the issuance of the bonds if they sell at 102.

4. Patrick Corporation is authorized to issue 1,000,000 shares of $1 par value common stock. During 2024, the company has the following stock transactions:

Jan.	15	Issued 700,000 shares of stock at $7 per share.
Sept.	5	Purchased 20,000 shares of its common stock at $8 per share.
Dec.	6	Declared a $0.75 per share dividend to stockholders of record on December 20, payable January 3, 2025.

Journalize the transactions for Patrick Corporation.

5. The stockholders' equity section of Fleming Corporation at December 31, 2023, included the following:

4% preferred stock, $100 par value, cumulative, 15,000 shares authorized, 10,000 shares issued and outstanding	$1,000,000
Common stock, $10 par value, 250,000 shares authorized, 200,000 shares issued and outstanding	$2,000,000

Dividends were not declared on the preferred stock in 2023 and are in arrears.
On December 1, 2024, the board of directors of Fleming Corporation declared dividends of $280,000 to stockholders of record on December 15, 2024, payable on December 31, 2024. There have been no changes in contributed capital during 2024.

How much of the dividend is payable to preferred stockholders? How much is payable to common stockholders?

6. The following stockholders' equity accounts, arranged alphabetically, are in the ledger of Marvel Corporation at December 31, 2024.

Common Stock ($5 stated value)	$2,800,000
Additional-in Capital—Preferred Stock	45,000
Additional-in Capital—Common Stock	1,050,000
Preferred Stock (8%, $100 par, noncumulative)	1,000,000
Retained Earnings	1,684,000
Treasury Stock—Common (10,000 shares)	98,000

Prepare the stockholders' equity section of the balance sheet at December 31, 2024.