

### III. STOCKHOLDERS' EQUITY AND BOOK VALUE PER SHARE

The Computer Warehouse earned \$40,000 profit during 1999. Complete the December 31, 1999, stockholders' equity report. Calculate book value per share for Common and Preferred stock.

The Computer Warehouse Statement of Stockholders' Equity December 31, 1999	
CONTRIBUTED CAPITAL	
Capital Stock	
Common Stock, \$10 Par value, authorized 50,000 shares, issued 11,000 shares	
Preferred Stock, \$100 Par value 6% cumulative, callable at \$105, authorized 5,000 shares, issued 2,000 shares	
Contributed Capital in Excess of Par	
Common Stock	
Preferred Stock	
Total Contributed Capital	
Retained Earnings (\$40,000 - \$18,600 in Dividends)	<u>\$ 21,400</u>
Total Stockholders' Equity	<u>\$369,400</u>

#### BOOK VALUE PER SHARE

Book Value Per Share

Preferred Stock:

Common Stock:

= \$14.49

### IV. STOCK SUBSCRIPTIONS

On January 31 of 2000, employees subscribed to 2,000 shares of \$10 Par Common Stock paying one quarter of the \$18 selling price down and agreeing to pay an additional quarter every 3 months until paid in full. Payment was received on all subscribed shares when due, and the shares were issued on October 31 of 2000.