

III. STOCKHOLDERS' EQUITY

Google "Excel Internet Library" for beginning to advanced learning materials.

Future Horizons Corporation earned \$30,000 profit during 1999. A December 31, 1999, stockholders' equity section appears below. From this data, book value per share for Common and Preferred stocks was calculated.

Future Horizons Corporation Statement of Stockholders' Equity December 31, 1999		
CONTRIBUTED CAPITAL		
Capital Stock		
Common Stock, \$10 Par value, authorized 40,000 shares, issued 7,000 shares	\$ 70,000	
Preferred Stock, \$100 Par value 8% cumulative, callable at \$110, authorized 5,000 shares, issued 1,000 shares	<u>100,000</u>	\$170,000
Contributed Capital in Excess of Par		
Common Stock	\$ 30,000	
Preferred Stock	<u>5,000</u>	<u>35,000</u>
Total Contributed Capital		\$205,000
Retained Earnings (\$30,000-\$13,600 in Dividends)		<u>16,400</u>
Total Stockholders' Equity		<u>\$221,400</u>

Google "Software Tutorial Internet Library" for help learning many software packages.

IV. BOOK VALUE PER SHARE

Total Stockholders' Equity	\$221,400
Preferred Stock Equity	
Call Value (1,000) (\$110)	<u>110,000</u>
Common Equity	<u>\$111,400</u>

Book Value Per Share

Preferred Stock:	$\frac{\text{Preferred Equity}}{\text{Shares Outstanding}} = \frac{\$110,000}{1,000} = \$110$ Per Share
Common Stock:	$\frac{\text{Common Equity}}{\text{Shares Outstanding}} = \frac{\$111,400}{7,000} = \$15.91$ Per Share

Note: Preferred Stock Book Value is based upon call or redemption value and if applicable, dividends in arrears are added to redemption value.

Google "MBA Internet Library" for help getting accepted, graduating, and getting a job.

V. STOCK SUBSCRIPTIONS

On Jan. 31 of 2000, employees subscribed to 1,000 shares of \$10 Par Common Stock paying one quarter of the \$20 selling price 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.

Jan. 31	Cash (1,000) (\$20) (.25)	5,000	
	Subscriptions Receivable, Common Stock	15,000	
	Common Stock Subscribed (1,000) (\$10)		10,000
	Contributed Capital in Excess of Par Common Stock (1,000) (\$10)		10,000
	Received one quarter down on 1,000 shares of \$10 Par Common Stock sold at \$20/share.		
April 30	Cash	5,000	
	Subscriptions Receivable		5,000
	Received quarterly payment.		
July 31	Cash	5,000	
	Subscriptions Receivable		5,000
	Received quarterly payment.		
Oct. 31	Cash	5,000	
	Subscriptions Receivable		5,000
	Received quarterly payment.		
Oct. 31	Common Stock Subscribed	10,000	
	Common Stock		10,000
	Issued 1,000 of \$10 Par Common Stock.		

Note: There are now 8,000 shares of \$10 Par Common Stock outstanding.