

Accounting II

LAP 10 – Stockholders’ Equity: Earnings and Distributions



Name _____

Period _____

Date Started _____

Date Completed _____

DoDEA Standards

- ◆ **PT1b** Use accounting procedures for planning, organizing, and allocating resources
- ◆ **PT1f** Be proficient in the use of technology
- ◆ **PT1h** Apply trouble shooting techniques and processes
- ◆ **PT2b** Employ technology in the development of strategies for solving problems in the real world
- ◆ **PT3d** Use technology tools and resources for managing and communicating personal/professional information, e.g., finances, schedules, addresses, purchases, and correspondence
- ◆ **PT4** Use information-gathering techniques, analyze and evaluate information, and use information technology to assist in collecting, analyzing, organizing, and presenting information

Objectives

- ◆ Explain the difference between a cash dividend and a stock dividend.
- ◆ Record journal entries for the declaration and payment of dividends.
- ◆ Record journal entries involving treasury stock.
- ◆ Journalize entries for the appropriation of retained earnings.
- ◆ Define the accounting terms introduced in this chapter.

Resources Accounting-Real World Applications & Connections – Advanced Course
 Chapter Reviews and Working Papers (Accounting Workbook)
 CD ROM – Electronic Learning Center Student Package

Time Frame 7 hours **without** Mini Practice Set – 10 hours **with** Mini Practice Set

Introduction

In chapter 10 you will learn the procedures required for the declaration and payment of dividends, both cash and stock. You will also learn how to account for stock splits and treasury stock. Finally, you will learn how to record the entries for the appropriation of retained earnings.

Assignments

Where appropriate and possible, written answers must be in complete sentences and keyed. Turn in completed activities as directed by instructor. Problems marked with an asterisk (*) can be completed in three different ways: manually, Peachtree for Windows (CD ROM), or Glencoe Integrated Accounting. Ask your instructor for directions. If you are going to complete the problems electronically, you must read the pages titled Computerized Accounting Using Peachtree in every chapter of the Working Papers.

- _____ Read Stockholders’ Equity: Earnings and Distributions, pp. 304-305
- _____ Read Section 1, Dividends and Stock Splits, pp. 306-312
- _____ Complete the following exercises on p. 313 Thinking Critically, Analyzing Accounting and Problem 10-1 using appropriate working papers
- _____ Read Section 2, Accounting for Treasury Stock, pp. 314-318

- _____ Complete the following exercises on p. 319: Thinking Critically, Communicating Accounting and Problems 10-2 and 10-3 using appropriate working papers
- _____ Read Section 3, Accounting for the Appropriation of Retained Earnings, pp. 320-321
- _____ Complete the following exercises on p. 322: Thinking Critically, Computing in the Business World and Problem 10-4 using appropriate working papers
- _____ Review the Chapter 10 Summary on p. 323
- _____ Complete Understanding Accounting Concepts and Procedures on p. 324
- _____ Complete Chapter 10 Review and Activities on p. 325 (see instructor)
- _____ Read Chapter 10 Computerized Accounting, p. 326
- _____ Complete MANUALLY End-of-Chapter problems on pp. 327-331, Problems 10-5, 10-6, 10-7, 10-8, 10-9 and 10-10 using appropriate working papers **OR**:
- * _____ Read and complete ELECTRONICALLY in The Chapter Reviews and Working Papers pp. 305-307, Problems 10-5, 10-7, 10-8, 10-9 and 10-10
- * _____ Complete Spreadsheet Problem 10-11 on p. 331
- _____ Complete Chapter 10 Review on pp. 300-301 of the Working Papers
- _____ Complete Self-Test on pp. 319-320 of the Working Papers

- _____ **Take Chapter 10 Test**

Self Assessment - "I/I can . . . "

- _____ Explain the difference between a cash dividend and a stock dividend.
- _____ Record journal entries for the declaration and payment of dividends.
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- _____ Journalize entries for the appropriation of retained earnings.
- _____ Define the accounting terms introduced in this chapter.