Assignment: Collins Mfg Stockholders’ Equity

The balances in the following accounts are as of December 31, 2020 for Collings Mfg, Inc.

Common Stock—$10 Par Value; 200,000 shares authorized, 22,000 shares issued and outstanding

	220,000

Paid-In Capital in Excess of Par—Common

	360,000

Retained Earnings

	163,000

During 2021, Collins completed the following transactions related to stockholders' equity:

6-Feb: Declared a 5% stock dividend. The market value of the stock on that date was $25/share.

15-Feb: Distributed the stock dividend

29-Jul: Purchased 2,000 shares of treasury stock at $25 per share

27-Nov: Declared a cash dividend of $0.20 per share

Instructions

1. Record the transactions in the general journal. (Record debits first, then credits. Select the explanation on the last line of the journal entry table.).
2. Prepare a retained earnings statement for the year ended December 31, 2021. Net income for the year was $87,000.All construction was completed on October 31. Prepare the year-end journal entry to record depreciation expense assuming no depreciation has been recorded yet.
3. Prepare the stockholders' equity section of the balance sheet at December 31, 2021.

Part 1: Record Transactions

Choose from the following list to use for the statement.

- Stock Dividends
- Paid-In Capital in Excess of Par—Common
- Common Stock Dividend Distributable
- Common Stock Dividend Distributable
- Common Stock—$10 Par Value
- Treasury Stock—Common
- Checking
- Cash Dividends
- Dividends Payable—Common
- Cash

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DATE		DESCRIPTION	POST. REF.	DEBIT	CREDIT
2021					
Feb.	6				
		Declared a 5% stock dividend.			
Feb.	15				
		Issued a 5% stock dividend.			
July	29				
		Purchased treasury stock.			
Nov.	27				
		Declared cash dividend.			

Part 2: Prepare Retained Earning Statement year end Dec. 31, 2021

Choose from the following list to use for the statement.

- Retained Earnings, January 1, 2020
- Stock dividends declared
- Net income for the year
- Retained Earnings, December 31, 2021
- Cash dividends declared

Collins Mfg, Inc. **Statement of Retained Earnings** **Year Ended December 31, 2021**	
	$

Part 3: Prepare the stockholders' equity section of balance sheet at Dec. 31, 2021

Choose from the following list to use for the statement.

- Paid-In Capital
- Total Stockholders' Equity
- Common Stock—$10 Par Value
- shares authorized
- Paid-In Capital in Excess of Par—Common
- shares outstanding
- Total Paid-In Capital
- shares at cost
- Retained Earnings
- shares issued
- Treasury Stock—Common

Collins Mfg, Inc. **Balance Sheet (Partial)** **As of December 31, 2021**			
Stockholders' Equity			
