

### Question 1 of 5

On April 1, Year 1, Hyde Corp., a newly formed company, had the following stock issued and outstanding:

- Common stock, no par, \$1 stated value, 20,000 shares originally issued for \$30 per share.
- Preferred stock, \$10 par value, 6,000 shares originally issued for \$50 per share.

Hyde's April 1, Year 1, statements of stockholders' equity should report

	<u>Common stock</u>	<u>Preferred stock</u>	<u>Additional paid-in capital</u>
A.	\$20,000	\$60,000	\$820,000
B.	\$20,000	\$300,000	\$580,000
C.	\$600,000	\$300,000	\$0
D.	\$600,000	\$60,000	\$240,000

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### Question 2 of 5

The following changes in Vel Corp.'s account balances occurred during Year 1:

	<u>Increase</u>
Assets	\$89,000
Liabilities	27,000
Capital stock	60,000
Additional paid-in capital	6,000

Except for a \$13,000 dividend payment and the year's earnings, there were no changes in retained earnings for Year 1. What was Vel's net income for Year 1?

- A. \$4,000
- B. \$9,000
- C. \$13,000
- D. \$17,000

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### Question 3 of 5

At December 31, Year 2, Salo Corp.'s balance sheet accounts increased by the following amounts compared with those at the end of Year 1:

Assets	\$178,000
Liabilities	54,000
Capital stock	120,000
APIC	12,000

Except for a \$26,000 dividend payment and the year's earnings, there were no changes in retained earnings for Year 2. What was Salo's net income for Year 2?

- A. \$8,000
- B. \$18,000
- C. \$26,000
- D. \$34,000

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### Question 4 of 5

Under U.S. GAAP, all of the following would be included in accumulated other comprehensive income as a component of stockholders' equity **except**:

- A. Unrealized fair value gains or losses on held-to-maturity investments.
  - B. Foreign currency translation adjustments.
  - C. Unrealized holding gains and losses (noncredit) on available-for-sale debt securities.
  - D. Unrealized gains and losses on derivatives that are accounted for as cash flow hedges.
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## Question 5 of 5

United, Inc.'s unadjusted current assets section and stockholders' equity section of its December 31, Year 1, balance sheet are as follows:

### Current Assets

Cash	\$60,000
Investments in trading securities (including \$300,000 of United, Inc. common stock)	400,000
Trade accounts receivable	340,000
Inventories	148,000
Total	\$948,000

### Stockholders' Equity

Common stock	\$2,224,000
Retained earnings (deficit)	(224,000)
Total	\$2,000,000

The trading securities are reported at fair value and the inventories are reported at cost.

In its Year 1 statement of stockholders' equity, United's total amount of equity at December 31, Year 1, is

- A. \$2,224,000
  - B. \$2,000,000
  - C. \$1,924,000
  - D. \$1,700,000
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