

# Answers to Study Guide Questions

## CHAPTER 21

### **PART 1** *True/False*

- |      |       |
|------|-------|
| 1. F | 6. F  |
| 2. T | 7. T  |
| 3. F | 8. F  |
| 4. T | 9. F  |
| 5. F | 10. T |

### **PART 2** *Completion—Language of Business*

- |                                       |                         |
|---------------------------------------|-------------------------|
| 1. Conservatism                       | 6. stock split          |
| 2. minute book                        | 7. cash dividend        |
| 3. unappropriated retained earnings   | 8. liquidating dividend |
| 4. appropriation of retained earnings | 9. Materiality          |
| 5. Full disclosure                    | 10. stock dividend      |

### **PART 3** *Determining Retained Earnings, Equity, and Dividends*

1. \$400,000
2. \$739,100
3. 3,250 shares
4. \$1,139,100