

會計學課堂作業

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會計習題 11-11

Ex 11-11 Treasury share transactions

Biscayne Bay Water Inc. bottles and distributes spring water. On May 14 of the current year, Biscayne Bay Water Inc. reacquired 23,500 shares of its ordinary share at \$75 per share. On September 6, Biscayne Bay Water Inc. sold 14,000 of the reacquired shares at \$81 per share. The remaining 9,500 shares were sold at \$72 per share on November 30.

- a. ~~what~~
- Journalize the transactions of May 14, September 6, and November 30.
 - What is the balance in Share Premium from Sale of Treasury Share on December 31 of the current year?
 - Where will the balance in Share Premium from Sale of Treasury Share be reported on the statement of financial position?
 - For what reasons might Biscayne Bay Water Inc. have purchased the treasury share?

| | | | |
|----|-----------------|---|-----------|
| a. | $\frac{5}{14}$ | Treasury Share (23,500 x 75) | 17,62,500 |
| | | Cash | 17,62,500 |
| | $\frac{9}{6}$ | Cash (14,000 x 81) | 1,134,000 |
| | | Treasury Share | 1,050,000 |
| | | Share Premium from Sale of Treasury Share (14,000 shares x (81 - 75)) | 84,000 |
| | $\frac{11}{30}$ | Cash (9,500 x 72) | 6,84,000 |
| | | Share Premium from Sale of Treasury Share (9,500 shares x (75 - 72)) | 28,500 |
| | | Treasury Share (9,500 x 75) | 7,12,500 |

b. 55,500 (84,000 - 28,500) credit

c. Equity section

d. Biscayne Bay Water Inc. may have purchased the stock to support the market price of the stock, to provide shares for resale to employees or for reissuance to employees as a bonus according to stock purchase agreements.