3. Journalize each of the following transactions:

(a) A wing costing $1,250,000 was added to the building. A new mortgage was issued for the cost.

(b) Equipment was upgraded to increase its capacity to produce widgets. The upgrade cost of $13,000 was paid in cash.

(c) A major overhaul costing $7,000 on a machine increased the useful life by 2 years. The payment was made in cash.

Journal			
Date	Account	Dr	Cr
A)			
B)			
C)			

7. Mobile Sales has five sales employees which receive weekly paychecks. Each earns $11.50 per hour and each has worked 40 hours in the pay period. Each employee pays 12% of gross in Federal Income Tax, 3% in State Income Tax, 6% of gross in Social Security Tax, 1.5% of gross in Medicare Tax, and 1/2% in State Disability Insurance. Journalize the recognition the pay period ending January 19th which will be paid to the employees January 26th.

Journal			
Date	Account	Dr	Cr

8. A company had stock outstanding as follows during each of its first three years of operations: 2,500 shares of $10, $100 par, cumulative preferred stock and 50,000 shares of $10 par common stock. The amounts distributed as dividends are presented below. Determine the total and per share dividends for each class of stock for each year by completing the schedule.

		Preferred		Common	
Year	Dividends	Total	Per Share	Total	Per Share
1	$10,000	________	________	________	________
2	25,000	________	________	________	________
3	60,000	________	________	________	________

9. On April 1, 10,000 shares of $5 par common stock were issued at $22, and on April 7, 5,000 shares of $50 par preferred stock were issued at $104. Journalize the entries for April 1 and 7.

Journal			
Date	Account	Dr	Cr

10. On May 10, a company issued for cash 1,500 shares of no-par common stock (with a stated value of $2) at $14, and on May 15, it issued for cash 2,000 shares of $15 par preferred stock at $58.

Journalize the entries for May 10 and 15, assuming that the common stock is to be credited with the stated value.

Journal			
Date	Account	Dr	Cr