

PROBLEMS

Prob. 13–1A

1.

Year	Total Dividends	<u>Preferred Dividends</u>		<u>Common Dividends</u>	
		Total	Per Share	Total	Per Share
2003	\$ 21,000	\$21,000	\$ 2.10	\$ 0	\$ 0
2004	50,000	30,000	3.00	20,000	0.20
2005	15,000	15,000	1.50	0	0
2006	80,000	30,000	3.00	50,000	0.50
2007	90,000	30,000	3.00	60,000	0.60
2008	140,000	30,000	3.00	110,000	1.10
			<u>\$15.60</u>		<u>\$2.40</u>

2. Average annual dividend for preferred: \$2.60 per share (\$15.60/6)
Average annual dividend for common: \$0.40 per share (\$2.40/6)

3. a. 3.25% (\$2.60/\$80)
b. 4.0% (\$0.40/\$10)