

# **Balance Sheet:** **Reporting Stockholders' Equity**

## **Course Description**

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Stockholders' equity represents the cumulative net contributions by stockholders plus accumulated earnings less dividends. Stockholders' equity is synonymous with net worth, or net assets (assets less liabilities). This course discusses generally accepted accounting principles (GAAP) for reporting stockholder's equity on the balance sheet. It addresses many of the possible actions, such as issuance of preferred and common stock, treasury stock, dividends, retained earnings appropriations, stock splits, and stock warrants. The course is designed to help you navigate components of stockholders' equity with specific examples to illustrate the application.

**Completion Deadline & Exam:** This course, including the examination, must be completed within one year of the date of purchase.

**Course Level:** Basic to Intermediate

**CPE Credits:** 3 (CPA)

**Category:** Accounting

**Prerequisite:** None

**Advanced Preparation:** None

## **Course Learning Objectives**

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### **Balance Sheet: Reporting Stockholders' Equity**

After reading this chapter, you should be able to:

1. Recognize components of stockholders' equity
2. Identify proper accounting procedures for common and preferred stock
3. Recognize how dividends, stock splits, stock warrants, and stock rights affect stockholders' equity
4. Identify rules for appropriation of retained earnings and acquisition of treasury stock