1. Review balance sheet and identify how many classes of stock it has issued

1.Balance sheet

In financial accounting, a balance sheet (also known as statement of financial position or statement of financial condition) is a summary of the financial balances of an individual or organization, whether it be a sole proprietorship, a business partnership, a corporation, private limited company or other organization such as government or not-for-profit entity. Assets, liabilities and ownership equity are listed as of a specific date, such as the end of its financial year. A balance sheet is often described as a "snapshot of a company's financial condition".[1] Of the four basic financial statements, the balance sheet is the only statement which applies to a single point in time of a business' calendar year.

A standard company balance sheet has two sides: assets on the left, and financing on the right–which itself has two parts; liabilities and ownership equity. The main categories of assets are usually listed first, and typically in order of liquidity.[2] Assets are followed by the liabilities. The difference between the assets and the liabilities is known as equity or the net assets or the net worth or capital of the company and according to the accounting equation, net worth must equal assets minus liabilities.[3]

Another way to look at the balance sheet equation is that total assets equals liabilities plus owner's equity. Looking at the equation in this way shows how assets were financed: either by borrowing money (liability) or by using the owner's money (owner's or shareholders' equity). Balance sheets are usually presented with assets in one section and liabilities and net worth in the other section with the two sections "balancing".

A business operating entirely in cash can measure its profits by withdrawing the entire bank balance at the end of the period, plus any cash in hand. However, many businesses are not paid immediately; they build up inventories of goods and they acquire buildings and equipment. In other words: businesses have assets and so they cannot, even if they want to, immediately turn these into cash at the end of each period. Often, these businesses owe money to suppliers and to tax authorities, and the proprietors do not withdraw all their original capital and profits at the end of each period. In other words, businesses also have liabilities.

how many classes of stock it has issued

For most companies issuing commons stock, there will only be one class of that common stock, with each share providing equal valuation and rights to every other share. There are companies, however, that issue two or more classes of common stock. These different classes are commonly designated by letter (Class A, Class B, Class C, etc.).

What Are Classes of Stock?

In the most general terms, there are two main types of stock: common and preferred. However, each type of stock may be further distinguished by class.

Note: "Classes of stock" should not be confused with "classes of shares." Although the two terms may be interchangeable when referring to company stock, the term "classes of shares" may also refer to different classes of mutual fund shares.

Why are Classes of Stock Important?

The different classes of stock are handled differently, particularly when it comes to voting rights, and priority for paying out assets and dividends. If you are a stockholder, therefore, the types and classes of stocks that you own will have an effect on your portfolio's overall value. If you are a start-up business, the types and classes of stock you issue may affect how much stock you sell and the overall valuation of your business.

Common Stock

Common stock is aptly named since it is the most common type of stock issued by a company. In most cases, if you purchase stock in a company on a major exchange, you will be buying common shares of stock. Common stock shareholders have voting rights that allow them to select members of the board of directors and provide a voice in company policies. They also possess an ownership stake in the company and a claim to a share of company profits. If the company has also issued preferred stock, common stockholders are placed in a secondary position when sharing in the company's assets (i.e., after debt holders and preferred shareholders) in the event of liquidation or bankruptcy. Common stock ownership may come with other vested rights, such as preemptive rights (the right to maintain proportional ownership in the company in

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Shares Issued

Shares Issued are the shares allotted by the company to the shareholders including public, insiders or institutional investors and held by them and are shown under the owner's equity in the liability side of the balance sheet of the company.

Issued Shares are that portion of the total authorized shares of the company that are held by any type of shareholders, including management, public, or any other type of investor. For example, McDonald's Authorized Shares in 2018 were 3.5 billion, out of which its total shares issued are 1.66 million shares and 0.89 are the treasury shares.

Total Unissued Shares = Total Authorized Shares – Shares Issued – Treasury Shares = 3.5 – 1.66 – 0.89 = 0.95 million

By issuing, shares firms can raise capital at low cost and invite investors to be a part of their growth story. These are mainly long term strategic initiatives and require in-depth analysis.

3. Review its statement of cash flows and identify what total amount of cash it paid during the year to purchase treasury stock or dispose off liabilities Any).

Cash flow statement

In financial accounting, a cash flow statement, also known as *statement of cash flows*,[1] is a financial statement that shows how changes in balance sheet accounts and income affect cash and cash equivalents, and breaks the analysis down to operating, investing, and financing activities. Essentially, the cash flow statement is concerned with the flow of cash in and out of the business. As an analytical tool, the statement of cash flows is useful in determining the short-term viability of a company, particularly its ability to pay bills. International Accounting Standard 7 (IAS 7) is the International Accounting Standard that deals with cash flow statements.

People and groups interested in cash flow statements include:

- Accounting personnel, who need to know whether the organization will be able to cover payroll and other immediate expenses
- Potential lenders or creditors, who want a clear picture of a company's ability to repay
- Potential investors, who need to judge whether the company is financially sound
- Potential employees or contractors, who need to know whether the company will be able to afford compensation
- Company Directors, who are responsible for the governance of the company, and are responsible for ensuring that the company does not trade while insolvent
- Shareholders of the company
  - The statement of cash flows, or the cash flow statement, is a financial statement that summarizes the amount of cash and cash equivalents entering and leaving a company.
  - The cash flow statement (CFS) measures how well a company manages its cash position, meaning how well the company generates cash to pay its debt obligations and fund its operating expenses. The cash flow statement complements the balance sheet and income statement and is a mandatory part of a company's financial reports since 1987.

Use a Cash Flow Statement

The CFS allows investors to understand how a company's operations are running, where its money is coming from, and how money is being spent. The CFS is important since it helps investors determine whether a company is on a solid financial footing.

Creditors, on the other hand, can use the CFS to determine how much cash is available (referred to as liquidity) for the company to fund its operating expenses and pay its debts.

The Structure of the Cash Flow Statement

The main components of the cash flow statement are:

1. Cash from operating activities
2. Cash from investing activities
3. Cash from financing activities
4. Disclosure of noncash activities is sometimes included when prepared under the generally accepted accounting principles (GAAP).[2]

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It's important to note that the CFS is distinct from the income statement and balance sheet because it does not include the amount of future incoming and outgoing cash that has been recorded on credit. Therefore, cash is not the same as net income, which on the income statement and balance sheet includes cash sales and sales made on credit.

4.What amount did Company pay out in common stock cash dividends during the current year

March 31, December 31, 2021 2020 Rupees in '000 38 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS Minimum Capital Requirement (MCR): Paid-up capital (net of losses) 11,450,739 11,450,739 Capital Adequacy Ratio (CAR): Eligible Common Equity Tier 1 (CET 1) Capital 91,691,880 95,335,586 Eligible Additional Tier 1 (ADT 1) Capital - - Total Eligible Tier 1 Capital 91,691,880 95,335,586

Eligible Tier 2 Capital 26,337,080 27,690,683 Total Eligible Capital (Tier 1 + Tier 2) 118,028,960 123,026,269 Risk Weighted Assets (RWAs): Credit Risk 316,492,230 344,948,463 Market Risk 38,397,908 43,237,570 Operational Risk 96,160,368 96,160,368 Total 451,050,506 484,346,401 Common Equity Tier 1 Capital Adequacy ratio 20.33% 19.68% Tier 1 Capital Adequacy Ratio 20.33% 19.68% Total Capital Adequacy Ratio 26.17% 25.40% (Audited) March 31, December 31, 2020 2019 Rupees in '000 Leverage Ratio (LR): Eligible Tier-1 Capital 91,691,880 95,335,586 Total Exposures 2,087,551,047 1,850,090,033 Leverage Ratio 4.39% 5.15%

Q.2 You are to interview a local business owner. (This can be a friend or relative.)Opening lines of community can provide personal bene know the owner, you should call ahead to introduce yourself and explain your position as a student and your assignment requirements. You should request a thirty-minute appointment for a form of organization and operations of impression. Required

1. Identify and describe the main operating activities and the form of organization for this business.

2. Determine and explain why the owner(s) chose this particular form of organization.

3. Identify any special advantages and/or disadvantages the owner

Main Operating Activities?

Operating activities are the functions of a business directly related to providing its goods and/or services to the market. These are the company's core business activities, such as manufacturing, distributing, marketing, and selling a product or service. Operating activities will generally provide the majority of a company's cash flow and largely determine whether it is profitable. Some common operating activities include cash receipts from goods sold, payments to employees, taxes, and payments to suppliers. These activities can be found on a company's financial statements and in particular the income statement and cash flow statement.

Operating activities are distinguished from investing or financing activities, which are functions of a company not directly related to the provision of goods and services. Instead, financing and investing activities help the company function optimally over the longer term. This means that the issuance of stock or bonds by a company are not counted as operating activities.

The Basics of Operating Activities

Operating activities are the daily activities of a company involved in producing and selling its product, generating revenues, as well as general administrative and maintenance activities. The operating income shown on a company's financial

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statements is the operating profit remaining after deducting operating expenses from operating revenues. There is typically an operating activities section of a company's statement of cash flows that shows inflows and outflows of cash resulting from a company's key operating activities.

In the event of ambiguity, operating activities can readily be identified by classification in financial statements. Many companies report operating income or income from operations as a specific line on the income statement. Operating income is calculated by subtracting the cost of sales (COGS), research and development (R&D) expenses selling and marketing expenses, general and administrative expenses, and depreciation and amortization expenses.

Operating income excludes interest income or expenses. For example, an apparel store's operating activities might include the following:

- Buying materials from suppliers and paying for labor to produce clothing
- Paying to transport the materials to the factory and the clothes from factories to warehouses
- Arranging transport from warehouses to retail stores and mail-order customers
- Paying employees to work in warehouses and retail stores
- Paying managers to oversee operations
- Paying taxes
- Paying rent on warehouse and retail facilities

Other less common operating activities include fines or cash settlements from lawsuits, refunds and money collected from insurance claims.

2. Determine and explain why the owner(s) chose this particular form of organization.

Accounting profession is one of the noble professions of this world. Accounting is the recording of the financial transactions of a business or organization in a systematic manner so the owner of the business can know the outcome of the business at the end of year. It also involves the process of summarizing, analyzing, and reporting these transactions in financial statements. These financial statements are critical for the work of bookkeepers at a business or organization. It is a highly regulated field and accounting must be conducted according to standard accounting principles such as accrual, conservatism, consistency, cost, economy entity, full disclosure, going concern, matching, materiality, monetary unit, reliability, revenue recognition, and time period. I have seen many students under stress due to excessive accounting homework and accounting assignments. As per my knowledge Accounting Homework is the best online accounting homework help provider company. I have first used this company for my homework help in 2007. It has provided me homework help many times since then. The experts of the company have very good experience in accounting homework field. Since the Accounting Homework is operating since 2007 it becomes reliable company for any kind of accounting homework help.

3. Identify any special advantages and/or disadvantages the owner

Advantages of Small Business Ownership

Being a business owner can be extremely rewarding. Having the courage to take a risk and start a venture is part of the American dream. Success brings with it many advantages:

- *Independence*. As a business owner, you're your own boss. You can't get fired. More importantly, you have the freedom to make the decisions that are crucial to your own business success.
- *Lifestyle*. Owning a small business gives you certain lifestyle advantages. Because you're in charge, you decide when and where you want to work. If you want to spend more time on nonwork activities or with your family, you don't have to ask for the time off. If it's important that you be with your family all day, you might decide to run your business from your home. Given today's technology, it's relatively easy to do. Moreover, it eliminates commuting time.
- *Financial rewards*. In spite of high financial risk, running your own business gives you a

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Classes of Common Stock

For most companies issuing commons stock, there will only be one class of that common stock, with each share providing equal valuation and rights to every other share. There are companies, however, that issue two or more classes of common stock. These different classes are commonly designated by letter (Class A, Class B, Class C, etc.).

The biggest reason for issuing multiple classes of common stock is to allow for the assignment of greater voting rights (known as "super-voting" rights) for one class over another. For example, a company may create one class of stock (Class A), to be owned by the company founders and senior executives only, that assigns a greater per-share voting "multiple" than another class of common stock (Class B). In some cases, that multiple may be as high as 10 times that of the company's Class B common stock, meaning that each share of Class A stock comes with 10 votes, compared to one vote for each Class B share. The purpose of doing this is to ensure that the founders and executives maintain control over the company's board of directors and major corporate decisions. In this particular example, Class A shares would not be publically traded, their availability limited instead to company founders and senior executives.

Here's another example of how a company may structure different classes of common stock:

Class A - Class A shares are similar to the shares issued by a company with only one common stock class. That is, Class A shares are available to individual investors and publicly traded. Each share comes with one vote.

Class B - Class B shares are similar to those described in the first example as Class A shares. That is, they are not available for trade to individual investors and are limited to ownership by company founders and top executives. Per-share voting power may be a multiple of those of Class A shares.

Class C - Class C shares are similar to Class A shares in all aspects, except that the Class C shares lack voting rights.

As can be seen from the two examples presented here, there are no terms or provisions specific to particular class designations. The rules and features of different stock classes depend on how each specific company defines them. For example, some companies designate less voting power for their Class A stock, when compared to Class B stock, in an attempt to disguise this disadvantage to the public. Therefore, it is important to always carefully check the details regarding a company's stock classes to determine exactly what is being offered with each class.

Class F Stock - Class F stock is a common stock designation that has recently been used by a number of companies for shares available only to company founders. Class F shares typically come with features such as super-voting rights and restrictions on public trading.

Preferred Stock - Preferred stock is the other major type of stock issued by companies. As with common stock, preferred stock shareholders possess an ownership stake in the company and a claim to a share of company profits. They also typically receive dividends in a fixed amount on their preferred shares and enjoy a priority position (over common shareholders) to company assets in the event of the company's liquidation or bankruptcy. On the other hand, ownership of preferred stock does not include voting rights. Preferred stock is sometimes characterized as providing features of both bonds and common stock shares. Preferred stock can be classified by the following four types:

- Cumulative stock allows shareholders to carry over missed dividend payments if the company stops paying those dividends and then starts paying them again.
- Non-Cumulative stock does not allow owners to collect dividends that may have been skipped.
- Participating stock could have higher dividend payments, as long as the company has larger-than-expected profits.
- Convertible stock may be converted to a certain number of common stock shares.

2. What are the par values, number of authorized shares, and issued shares of the classes of stock you identified in part 1?

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4:15 42%

2. What are the par values, number of authorized shares, and issued shares of the classes of stock you identified in part 1?

2.Par Value

Par value is the face value of a bond. Par value is important for a bond or fixed-income instrument because it determines its maturity value as well as the dollar value of coupon payments. The market price of a bond may be above or below par, depending on factors such as the level of interest rates and the bond's credit status. Par value for a bond is typically $1,000 or $100 because these are the usual denominations in which they are issued.

Par value for a share refers to the stock value stated in the corporate charter. Shares usually have no par value or very low par value, such as one cent per share. In the case of equity, the par value has very little relation to the shares' market price.

Par Value of Bonds

One of the most important characteristics of a bond is its par value. The par value is the amount of money that bond issuers promise to repay bondholders at the maturity date of the bond. A bond is essentially a written promise that the amount loaned to the issuer will be repaid.

Bonds are not necessarily issued at their par value. They could also be issued at a premium or at a discount depending on the level of interest rates in the economy. A bond that is trading above par is said to be trading at a premium, while a bond trading below par is trading at a discount. During periods when interest rates are low or have been trending lower, a larger proportion of bonds will trade above par or at a premium. When interest rates are high, a larger proportion of bonds will trade at a discount. For example, a bond with a face value of $1,000 that is currently trading at $1,020 will be said to be trading at a premium, while another bond trading at $950 is considered a discount bond.

If an investor buys a taxable bond for a price above par, the premium can be amortized over the remaining life of the bond, offsetting the interest received from the bond and, hence, reducing the investor's taxable income from the bond. Such premium amortization is not available for tax-free bonds purchased at a price above par.[1]

The coupon rate of a bond as compared to the interest rates in the economy determines whether a bond will trade at par, below par, or above its par value. The coupon rate is the interest payments that are made to bondholders, annually or semi-annually, as compensation for loaning the issuer a given amount of money. For example, a bond with par value of $1,000 and a coupon rate of 4% will have annual coupon payments of 4% x $1,000 = $40. A bond with par value of $100 and a coupon rate of 4% will have annual coupon payments of 4% x $100 = $4.

If a 4% coupon bond is issued when interest rates are 4%, the bond will trade at its par value since both interest and coupon rates are the same. However, if interest rates rise to 5%, the value of the bond will drop, causing it to trade below its par value. This is because the bond is paying a lower interest rate to its bondholders compared to the higher interest rate of 5% that similar-rated bonds will be paying out. The price of a

lower-coupon bond, therefore, must decline to offer the same 5% yield to investors. On the other hand, if interest rates in the economy fall to 3%, the value of the bond will rise and trade above par since the 4% coupon rate is more attractive than 3%.

Regardless of whether a bond is issued at a discount or premium, the issuer will repay the par value of the bond to the investor at the maturity date. Say, an investor purchases a bond for $950 and another investor purchases the same bond for $1,020. On the

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