

Brazil Corporation has a simple capital structure, and its equity section follows:

Stockholders' Equity	
Common stock, \$0.50 par value, 800,000 shares authorized, 300,000 shares issued and outstanding	\$ 150,000
Paid-in capital in excess of par -- common stock	750,000
Retained earnings	<u>2,400,000</u>
Total stockholders' equity	<u>\$ 3,300,000</u>

Chile Corporation has a complex capital structure, and its equity section follows:

Stockholders' Equity	
Capital stock:	
Preferred stock, \$50 par value, callable at 103, 5%, cumulative, 100,000 shares authorized, 60,000 shares issued and outstanding	\$ 3,000,000
Common stock, \$1 par value, 500,000 shares authorized, 200,000 shares issued and outstanding	<u>200,000</u> \$ 3,200,000
Additional paid-in capital:	
Paid-in capital in excess of par -- preferred stock	\$ 60,000
Paid-in capital in excess of par -- common stock	<u>800,000</u> <u>860,000</u>
Total paid-in capital	\$ 4,060,000
Retained earnings	<u>6,910,000</u>
Total stockholders' equity	<u>\$10,970,000</u>

With the exception of the current year's preferred dividend which is now due, Chile has paid all dividends on the preferred stock.

Determine the issue price of each company's common and preferred stock. Determine the book value per common share for each company.