



Review the following facts for four separate companies. Identify the two companies that lost money during the year, explaining how you reached your conclusion for each.

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COMPANY A Ending retained earnings was less than beginning retained earnings, and dividends were twice as much as income during the year.

COMPANY B Ending retained earnings was more than beginning retained earnings, but the company issued stock in an amount greater than the increase in retained earnings; no dividends were declared or paid.

COMPANY C No stock was issued and no dividends were declared or paid; total liabilities increased more than total assets.

COMPANY D Expenses exceeded revenues, but the company issued additional shares of stock in an amount that exceeded the difference between revenues and expenses.