Krull Corporation presented the following selected information. The company has a calendar year end.

Before considering the effects of dividends, if any, Krull's net income for 20X7 was $2,500,000.

Before considering the effects of dividends, if any, Krull's net income for 20X8 was $3,000,000.

Krull declared $750,000 of dividends on November 15, 20X7. The date of record was January 15, 20X8. The dividends were paid on February 1, 20X8.

Stockholders' equity, at January 1, 20X7, was $5,000,000. No transactions impacted stockholders' equity throughout 20X7 and 20X8, other than the impact of earnings and dividends on retained earnings.

(a) Prepare journal entries, if needed, to reflect the dividend declaration, the date of record, and the date of payment.

(b) How much was net income for 20X7 and 20X8?

(c) How much was total equity at the end of 20X7 and 20X8?

(d) Is total "working capital" reduced on the date of declaration, date of record, and/or date of payment?