Bitnec Corporation acquired three separate investments at the beginning of the year. Information about each acquisition, the dividends/interest received during the year, income, and year-end stock/debt price, follows:

**INITIAL INVESTMENT**

Purchased 50,000 shares of Lynch Corporation at $11 per share. This investment was made with the intent of near-term trading profits. Lynch Corporation has 5,000,000 shares outstanding.

Purchased $200,000 of Graham Corporation debt for $200,000. This investment was generally considered to be long-term with no particular plans for near-term trading, although it is unlikely Bitnec will hold the investment until maturity.

Purchased 40% of the shares of Buffet Corporation at $30 per share. This investment was generally considered to be long-term with plans to exert significant influence. Buffet Corporation has 1,500,000 shares outstanding.

**DIVIDENDS/INTEREST**

Lynch Corporation declared and paid dividends of $0.50 per share.

Graham Corporation paid interest on outstanding debt, including $10,000 to Bitnec.

Buffet Corporation declared and paid dividends of $0.25 per share.

**NET INCOME**

Lynch Corporation reported net income of $4,000,000 for the year.

Graham Corporation reported net income of $7,000,000 for the year.

Buffet Corporation reported net income of $1,200,000 for the year.

**YEAR END STOCK PRICE**

Lynch Corporation's closing stock price at the end of the year was $13 per share.

Due to deteriorating finances, the value of Graham's debt held by Bitnec plunged to $150,000.

Buffet Corporation's closing stock price at the end of the year was $33 per share.

(a) Prepare journal entries, as necessary, to account for the initial investment, dividend, and year-end stock price for the investment in Lynch Corporation.

(b) Prepare journal entries, as necessary, to account for the initial investment, interest and year-end debt value for the investment in Graham Corporation securities.

(c) Prepare journal entries, as necessary, to account for the initial investment, dividend and year-end stock price for the investment in Buffet Corporation.