III. STOCKHOLDERS' EQUITY AND BOOK VALUE PER SHARE


The Computer Warehouse
Statement of Stockholders' Equity
December 31, 1999

CONTRIBUTED CAPITAL
Capital Stock
Common Stock, $10 Par value, authorized
50,000 shares, issued 11,000 shares $110,000
Preferred Stock, $100 Par value
6% cumulative, callable at $105, authorized
5,000 shares issued 2,000 shares $202,000 $310,000
Contributed Capital in Excess of Par
Common Stock $30,000
Preferred Stock 8,000 38,000
Total Contributed Capital

Retained Earnings ($40,000 - $18,600 in Dividends) $21,400
Total Stockholders' Equity $369,400

BOOK VALUE PER SHARE

Total Stockholders' Equity $369,400
Preferred Stock Equity $210,000
Call Value ($105)(2,000) shares $210,000
Common Equity $159,400

Book Value Per Share

Preferred Stock: \[
\text{Preferred Equity} = \frac{\$210,000}{2,000 \text{ shares}} = \$105 \text{ per share}
\]

Common Stock: \[
\text{Common Equity} = \frac{\$159,400}{11,000 \text{ shares}} = \$14.49 \text{ per share}
\]

IV. STOCK SUBSCRIPTIONS

On Jan. 31 of 2000, employees subscribed to 2,000 shares of $10 Par Common Stock paying one-quarter of the $18 selling price down and agreeing to pay an additional quarter every 3 months until paid in full. Payment was received on all subscribed shares when due and the shares were issued on October 31, 2000.

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
<th>DR.</th>
<th>CR.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan. 31</td>
<td>Cash (2,000)($18)(.25)</td>
<td>9,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Subscriptions Receivable, Common Stock (2,000)($18)(.75)</td>
<td>27,000</td>
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<tr>
<td></td>
<td>Contributed Capital in Excess of Par</td>
<td>20,000</td>
<td>16,000</td>
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<tr>
<td>April 30</td>
<td>Cash</td>
<td>9,000</td>
<td>9,000</td>
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<tr>
<td></td>
<td>Subscriptions Receivable, Common Stock</td>
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<tr>
<td>July 30</td>
<td>Cash</td>
<td>9,000</td>
<td>9,000</td>
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<tr>
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<td>Subscriptions Receivable, Common Stock</td>
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<tr>
<td>Oct. 31</td>
<td>Cash</td>
<td>9,000</td>
<td>9,000</td>
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<tr>
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<td>Subscriptions Receivable, Common Stock</td>
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<tr>
<td>Oct. 31</td>
<td>Common Stock Subscribed</td>
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<td>20,000</td>
</tr>
<tr>
<td></td>
<td>Common Stock</td>
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</tbody>
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Hint: There were 13,000 shares of Common Stock outstanding on November 1, 2000.