

Exercise 18-12

In 2021, Western Transport Company entered into the treasury stock transactions described below. In 2019, Western Transport had issued 140 million shares of its \$1 par common stock at \$17 per share.

Cash (140 million x \$17)	2,380	
Common stock (140 million x \$1)		140
PIC in excess of par-C/S (140 million x \$16)		2,240

Prepare the appropriate journal entry for each of the following transactions.

On January 23, 2021, Western Transport reacquired 10 million shares at \$20 per share.

Treasury stock (10 million x \$20)	200	
Cash		200

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Exercise 18-12 (continued)

On September 3, 2021, Western Transport sold 1 million treasury shares at \$21 per share.

Cash (1 million x \$21)	21	
Treasury stock (1 million x \$20)		20
PIC from share repurchase (plug)		1

On November 4, 2021, Western Transport sold 1 million treasury shares at \$18 per share.

Cash (1 million x \$18)	18	
PIC from share repurchase (available balance)	1	
Retained earnings (remainder)	1	
Treasury stock (1 million x \$20)		20

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