

CONCEPT: SHARES AUTHORIZED, ISSUED, AND OUTSTANDING

- **Shares of Common Stock** represent ownership in the corporation:

- **Authorized Shares** – The total amount of shares the corporation is _____ to sell according to its charter
- **Issued Shares** – The amount of shares the corporation has previously sold to _____
- **Outstanding Shares** – The amount of shares still in the hands of _____
 - The difference between Issued and Outstanding Shares is called **Treasury Stock**
 - **Treasury Stock** – shares of its own stock that the corporation has _____ from the public

Artistic Rendition of Shares Authorized, Issued, and Outstanding

The founders of ABC Company formalized their corporate charter, authorizing a total of 10,000,000 shares.

Authorized:

Issued:

Outstanding:

The founders paid \$1,000,000 for 1,000,000 shares of common stock in ABC Company.

Authorized:

Issued:

Outstanding:

At a later date, ABC Company repurchased 50,000 shares of its common stock for \$100,000.

Authorized:

Issued:

Outstanding: