

**Solution:**

(1)

The tabulation is as follows:

DIVIDENDS PAID TO SHAREHOLDERS (in \$)						
			Dividends Paid To		Paid Per Person	
Year	Retained Earnings	Income	Preferred Stockholders	Common Stockholders	Preferred Stockholders	Common Stockholders
2011	0	(5,000,000)	0	0	0	0
2012	(5,000,000)	(4,000,000)	0	0	0	0
2013	(9,000,000)	16,000,000	7,000,000	0	7	0
2014	0	20,000,000	9,000,000	11,000,000	9	1.83
2015	0	14,000,000	4,000,000	10,000,000	4	1.67
Total paid			20,000,000	21,000,000	20	3.5

(2)

The tabulation is as follows:

DIVIDENDS PAID TO SHAREHOLDERS (in \$)						
			Dividends Paid To		Paid Per Person	
Year	Retained Earnings	Income	Preferred Stockholders	Common Stockholders	Preferred Stockholders	Common Stockholders
2011	0	(5,000,000)	0	0	0	0
2012	(5,000,000)	(4,000,000)	0	0	0	0
2013	(9,000,000)	16,000,000	4,000,000	3,000,000	4	0.50
2014	0	20,000,000	4,000,000	16,000,000	4	2.67
2015	0	14,000,000	4,000,000	10,000,000	4	1.67
Total paid			12,000,000	29,000,000	12	4.84