

Solution:

Let's analyse the statement. The preferred shareholders are those, who are usually promised a payment of dividend in preference to the common shareholders at the expense of their voting rights. This dividend is fixed for the fiscal year, and if the company fails to pay this due obligation, it is accumulated over the years.

Such an obligation is usually accounted by the company as a liability under the heading, usually called as the "dividends in arrears". If the company fails to pay this in a fiscal year (due to losses, and restriction of retained earnings), the liability increases until it is paid the next fiscal year(s).

The common shareholders get their dividends later.