

CUE Corporation was formed at the beginning of 20X2, and presents the following incomplete financial statements for three years. CUE has requested your help in completing the missing values for each year. Hint: Begin by solving the unknowns in the 20X2 year, and work forward to subsequent years. Remember that 20X2 is the first year of business, so Cue begins with a zero balance in 20X2 beginning retained earnings.

CUE CORPORATION			
Income Statement			
For the Years Ending December 31, 20XX			
	20X4	20X3	20X2
Revenues			
Services to customers	\$ 200,000	?	\$ 100,000
Expenses			
Wages	?	\$ 117,000	?
Interest	3,000	3,000	5,000
Net income	?	<u>\$ 40,000</u>	?

CUE CORPORATION			
Statement of Retained Earnings			
For the Year Ending December 31, 20XX			
	20X4	20X3	20X2
Beginning retained earnings	?	?	\$ -
Plus: Net income	?	40,000	?
	?	?	\$ 25,000
Less: Dividends	30,000	?	?
Ending retained earnings	<u>\$ 60,000</u>	<u>?</u>	<u>?</u>

CUE CORPORATION			
Balance Sheet			
December 31, 20XX			
	20X4	20X3	20X2
Assets			
Cash	?	?	\$ 50,000
Accounts receivable	65,000	50,000	?
Land	180,000	180,000	180,000
Total assets	<u>?</u>	<u>\$ 289,000</u>	<u>?</u>
Liabilities			
Interest payable	?	\$ 1,000	\$ 2,000
Loan payable	10,000	?	?
Total liabilities	\$ 11,000	\$ 31,000	?
Stockholders' equity			
Capital stock	?	?	\$ 228,000
Retained earnings	?	30,000	?
Total stockholders' equity	<u>?</u>	<u>?</u>	<u>238,000</u>
Total Liabilities and equity	<u>\$ 299,000</u>	<u>?</u>	<u>\$ 300,000</u>