

I-01.04

Sketchy Company provided the following very limited set of data. Use this information to determine net income for the years ending December 31, 20X1, 20X2, 20X3, and 20X4. The company was formed at the beginning of January, 20X1 by issuing \$100,000 of capital stock. No additional shares were issued during the 4-year period. The company's 20X4 dividends were equal to 50% of the 20X4 net income.

Revenues, 20X2	\$ 90,000
Dividends, 20X3	15,000
Total equity, December 31, 20X3	210,000
Total liabilities, December 31, 20X3	220,000
Retained earnings, December 31, 20X1	41,000
Expenses, 20X2	44,000
Retained earnings, December 31, 20X2	80,000
Dividends, 20X1	10,000
Total assets, December 31, 20X4	500,000
Increase in liabilities, 20X4	50,000