

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. 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.

### Income Statements for the Years Ending December 31, 20XX

	20X4		20X3		20X2	
<b>Revenues</b>						
Services to customers		\$200,000		?		\$100,000
<b>Expenses</b>						
Wages	?		\$117,000		?	
Interest	<u>3,000</u>	<u>?</u>	<u>3,000</u>	<u>?</u>	<u>5,000</u>	<u>?</u>
<b>Net income</b>		<u>?</u>		<u>\$ 40,000</u>		<u>?</u>

### Statements of Retained Earnings for the Years Ending December 31, 20XX

	20X4		20X3		20X2	
Beginning retained earnings		?		?		\$ -
Plus: Net income		<u>?</u>		<u>40,000</u>		<u>?</u>
		?		?		\$ 25,000
Less: Dividends		<u>30,000</u>		<u>?</u>		<u>?</u>
<b>Ending retained earnings</b>		<u>\$ 60,000</u>		<u>?</u>		<u>?</u>

### Balance Sheets as of December 31, 20XX

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