**Best Buy Corporation**

**COMPARATIVE BALANCE SHEET**

**AS OF DECEMBER 31, 2017 AND 2018**

2018 2017 2018 2017

Cash $1,800 $1,100 Accounts payable $1,200 $ 800

Receivables 1,750 1,300 Accrued liabilities 200 250

Inventory 1,600 1,900 **Total Current Liabilities**  **1,400 1,050**

**Total Current Assets** **5,150 4,300** Bonds payable 1,400 1,650

Plant assets 3,200 3,170 Capital stock 1,900 1,700

Accu. Depreciation (1,200) (1,170) Retained earnings 2,450 1,900

Net Plant Assets 2,000 2,000 **Total stockholders’ Equity** 4,350 3,600

**Total Assets** $7,150 $6,300 **Total Liabilities & Equity** $ 7,150 $ 6,300

**Best Buy Corporation**

**INCOME STATEMENT**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

Sales $6,900

Cost of goods sold (4,700)

Gross Margin 2,200

Selling and Administrative Expense (750)

Income from operations 1,450

Financing Cost (100)

Income before Tax 1,350

Income tax (540)

Net Income $ 810

**Required:**

1. Calculate Cash flows generated from assets and Cash flows used for investors’ payment
2. Assume sales revenue is expected to grow at 15% in 2019. Calculate External Financing Needed assuming percentage of sales approach. What financing strategy the company should take while using plug variables to maintain same debt to equity ratio as of 2018?