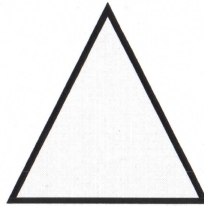


Exam Number 007950

Question 1

Exhibit 3



|              | <u>Assets</u> |              |                   | <u>Liabilities</u> |                |
|--------------|---------------|--------------|-------------------|--------------------|----------------|
|              | <u>Basis</u>  | <u>Value</u> |                   | <u>Basis</u>       | <u>Value</u>   |
| Cash         | 100           | 100          |                   | Debt               | 200            |
|              |               |              |                   |                    |                |
|              |               |              |                   |                    |                |
|              |               |              |                   |                    |                |
|              |               |              |                   |                    |                |
|              |               |              |                   |                    |                |
|              |               |              |                   | Equity             |                |
|              |               |              | T                 | 0                  | -150           |
|              |               |              | U                 | 0                  | <del>-60</del> |
|              |               |              | V                 | <del>110</del>     | 70             |
|              |               |              |                   | 110                |                |
|              |               |              |                   |                    |                |
| Total Assets | 100           | 100          | Total Liabilities | 110                | 100            |