Solution:

(1)

List of them is as follows:

- Long-term financing repayments
- Treasury stock purchases
- Common stock dividends

(2)

List of them is as follows:

- Capital expenditures
- Purchases of restaurant businesses
- Other

(3)

A = 7,150 + (2,571) + (4,533) + (97) = (51)

B = 2,387

C = 2,336

(4)

Retained Earnings at end of 2010

= $33,812 + $5,503 - $2,610 = $36,705

(5)

The cash used for operations is aggressively invested in the expansion of the infrastructure for the McDonald’s. This indicates a desire to expand the operations. The best part is that the net free cash flow is coming positive, indicating that the McDonald’s can easily fund their capital activities from the operations alone.