

**Solution:**

(1)

$$\text{Net Income (Loss)} = \$39,304 \text{ million} - \$37,852 \text{ million} = \$1,452 \text{ million}$$

(2)

$$\begin{aligned} \text{Increase in Retained Earnings} &= \$15,266 \text{ million} - \$13,966 \text{ million} \\ &= \$1,300 \text{ million} \end{aligned}$$

This is less than the income, because FedEx must have declared dividends. Thus, the dividends declared is:

$$\text{Dividends Declared} = \$1,452 - \$1,300 = \$152 \text{ million}$$