

**Solution:**

(1)

The earnings after taxes is given by  $\$6,068 - \$2,185 = \$3,883$  million.

(2)

Amounts are in millions of \$

Tax Expense	2,185	
To Cash		1,950
To Deferred Tax Liability		235

(3)

This is because tax authorities and accounting authorities differs in the way they account for income. For example, the revenue in tax authority is decided when cash flows in and the revenue in accounting is not assumed until the delivery has been completed. These leads to discrepancy and finally lead to different income shown to them and shareholders.