2. Some new equipment under consideration will cost $2,300,000 and will be used for 3 years. Net working capital will experience a one time increase of $541,000 if the equipment is purchased. The equipment is expected to generate annual revenues of $2,300,000 and annual costs of $736,000. The project falls under the five-year MACRs class for tax purposes, the tax rate is 30 percent, and the cost of capital is 14 percent. The project's fixed assets can be sold for $552,000 at the end of the project's life.

   a. What is the book value of the equipment at the end of the project's life? Round your answer to the nearest whole dollar.

   b. What are the taxes on the sale of the equipment at the end of the project's life? Be sure to indicate clearly if taxes are owed or if there is a tax benefit. Round your answer to the nearest whole dollar.

   c. What is the net cash flow for Year 3? Round your answer to the nearest whole dollar.