**Case 23.1 Budgeting in a Nutshell**

**NUTSHELL**

**Balance Sheet**

**January 1**

**Assets**

Cash . . . . . . . . . . $ 40

Accounts

receivable . . . . 120

Inventory . . . . . . . 50

Total . . . . . . . . . . $210

**Liabilities & Equity**

Accounts

payable . . . . . . $ 30

Owners’

equity . . . . . . . 180

Total . . . . . . . . . . $210

**Nutshell**

**Budgeted Income Statement for January**

Sales . . . . . . . . . . . . $100

Cost of goods

sold . . . . . . . . . . . 60

Gross profit . . . . . . . $ 40

Expenses . . . . . . . . 25

Net income . . . . . . . $ 15