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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Top of FormThe treasurer of Unisyms Company has accumulated the following budget information for the first two months of the coming year:

|  |  |  |
| --- | --- | --- |
|   | March | April |
| Sales.   | $450,000 | $520,000 |
| Manufacturing costs | 290,000 | 350,000 |
| Selling and administrative expenses   | 41,400 | 46,400 |
| Capital additions | 250,000 | --- |

The company expects to sell about 35% of its merchandise for cash. Of sales on account, 80% are expected to be collected in full in the month of the sale and the remainder in the month following the sale. One-fourth of the manufacturing costs are expected to be paid in the month in which they are incurred and the other three-fourths in the following month. Depreciation, insurance, and property taxes represent $6,400 of the probable monthly selling and administrative expenses. Insurance is paid in February and a $40,000 installment on income taxes is expected to be paid in April. Of the remainder of the selling and administrative expenses, one-half are expected to be paid in the month in which they are incurred and the balance in the following month. Capital additions of $250,000 are expected to be paid in March.Current assets as of March 1 are composed of cash of $45,000 and accounts receivable of $51,000. Current liabilities as of March 1 are composed of accounts payable of $121,500 ($102,000 for materials purchases and $19,500 for operating expenses). Management desires to maintain a minimum cash balance of $20,000.Prepare a monthly cash budget for March and April.

|  |
| --- |
| Unisyms CompanyCash BudgetFor the Two Months Ending April 30, 20-- |
|   |   |   |
|   | March  | April  |
| Estimated cash receipts from: |   |   |   |   |
| Cash sales | $ |   | $ |   |
| Collections of accounts receivable | $ |   | $ |   |
| Total cash receipts | $ |   | $ |   |
| Estimated cash payments for: |   |   |   |   |
| Manufacturing costs | $ |   | $ |   |
| Selling and administrative expenses | $ |   | $ |   |
| Capital additions | $ |   | ---------- |   |
| Income taxes | ---------- |   | $ |   |
| Total cash payments | $ |   | $ |   |
| Cash increase (decrease) | $( | ) | $ |   |
| Cash balance at beginning of month | $ |   | $ |   |
| Cash balance at end of month | $ |   | $ |   |
| Minimum cash balance | $ |   | $ |   |
| Excess (deficiency) | $ |   | $ |   |

Bottom of Form |