12.

The Adams Company, a merchandising firm, has budgeted its activity for November according to the following information:  
  
• Sales were at $450,000, all for cash.  
• Merchandise inventory on October 31 was $200,000.  
• The cash balance on November 1 was $18,000.  
• Selling and administrative expenses are budgeted at $60,000 for November and are paid for in cash.  
• Budgeted depreciation for November is $25,000.  
• The planned merchandise inventory on November 30 is $230,000.  
• The cost of goods sold is 70% of the selling price.  
• All purchases are paid for in cash.  
  
  
  
The budgeted net income for November is  
  
A. $135,000.  
  
B. $68,000.  
  
C. $50,000.  
  
D. $75,000.