

# Cash budget

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Long numericals.

Q.3 Apex co. expects to have RS. 37,500 cash budget for 3 months ending June

|                            | April                      | May    | June     |
|----------------------------|----------------------------|--------|----------|
| opening cash Bal.          | 37,500                     | 11,700 | [-91050] |
| Add:- cash receipt         |                            |        |          |
| 1) cash sales (2ex)        | 18000                      | 24000  | 27000    |
| 2) collection from debtors | 67200                      | 72000  | 96000    |
| Total [A]                  | <del>85200</del><br>122700 | 107700 | 37,950   |

Less:- cash payables.

|                             |          |          |          |
|-----------------------------|----------|----------|----------|
| 1) cash Purchases           | -        | -        | -        |
| 2) Payment to creditors     | 45000    | 48000    | 52500    |
| 3) wages                    | 9750     | 10500    | 13,500   |
| 4) Factory exp.             | 8250     | 9000     | 11250    |
| 5) off. exp.                | 6000     | 6000     | 6000     |
| 6) selling exp.             | 4500     | 5250     | 6570     |
| 7) Income tax               | -        | -        | 57500    |
| 8) Dividend to shareholders | 15000    | -        | -        |
| 9) Bonus to workers         | 22500    | -        | -        |
| 10) Pre. of Plant           | -        | 1,20,000 | -        |
| Total pay [B]               | 1,17,000 | 1,98,750 | 1,47,320 |

closing cash Bal. 11,700 [-91050] [-1,15,370]  
[A - B]



Q.5 cash budget ending 30th June

| Particulars                | April<br>1st month | May<br>2nd month | June<br>3rd month |
|----------------------------|--------------------|------------------|-------------------|
| opening cash balance       | 60,000             | 29,500           | 20,000            |
| Add: cash receipt          |                    |                  |                   |
| 1) cash sales              | 16,000             | 17,000           | 18,000            |
| 2) collection from debtors | 1,30,500           | 1,39,500         | 1,48,500          |
| 3) Adv. Receipt            | —                  | —                | 90,000            |
| 4) Dividend income         | —                  | 10,000           | —                 |
| Total receipts [A]         | 2,06,500           | 2,86,000         | 2,76,500          |

less: - cash Payment:-

|                                  |          |          |          |
|----------------------------------|----------|----------|----------|
| 1) cash Purchase                 | —        | —        | —        |
| 2) Payment to creditors          | 96,000   | 90,000   | 92,000   |
| 3) wages [1/2]                   | 31,500   | 35,000   | 39,000   |
| 4) overheads [1/2]               | 19,500   | 21,000   | 22,500   |
| 5) Plant & machinery installment | 20,000   | 20,000   | 20,000   |
| 6) Dividend of preference share  | —        | —        | 1,60,000 |
| 7) Adv. tax                      | 20,000   | —        | —        |
| Total payment [B]                | 1,87,000 | 2,66,000 | 2,73,500 |

closing cash bal. [A-B] 29,500 20,000 3000

Q.6 → working

|                        | Jan    | Feb    | Mar    | Apr    | May    | June   |
|------------------------|--------|--------|--------|--------|--------|--------|
| Total sales            | 120000 | 100000 | 130000 | 150000 | 170000 | 140000 |
| cash sales 25%         | 30000  | 25000  | 32500  | 37500  | 42500  | 35000  |
| credit sales (75%)     | 90000  | 75000  | 97500  | 112500 | 127500 | 105000 |
| 60% next month         | 54000  | 54000  | 45000  | 58500  | 67500  | 76500  |
| 40% balance next month | —      | 36000  | 36000  | 30000  | 39000  | 45000  |
|                        |        |        |        | 88,500 | 106500 | 121500 |



Q.6 cash budget of 3 months ending 30th June

| Particulars                           | April    | May      | June     |
|---------------------------------------|----------|----------|----------|
| opening bal. cash balance             | 40,000   | 15,000   | 35,000   |
| Add:- cash receipts                   |          |          |          |
| 1) cash sales                         | 37,500   | 42,500   | 35,000   |
| 2) collection of debtors              | 88,500   | 1,06,500 | 1,21,500 |
| 3) dividend received                  | —        | 35,000   | —        |
| Total Receipts (A)                    | 1,66,000 | 1,99,000 | 1,60,000 |
| less:- cash payment                   |          |          |          |
| 1) cash purchases                     | —        | —        | —        |
| 2) Payment to creditors               | 1,10,000 | 1,42,000 | 1,55,000 |
| 3) wages                              | 34,000   | 34,500   | 37,000   |
| 4) overheads                          | 7,000    | 11,000   | 9,000    |
| 5) installment on purchase of machine | —        | 10,000   | 10,000   |
| Total payment (B)                     | 1,51,000 | 1,95,500 | 2,11,000 |
| closing cash bal. (A-B)               | 15,000   | 3,500    | (51,000) |

Q.8 working:-

|                | may    | april  | may    | June     | July   |
|----------------|--------|--------|--------|----------|--------|
| sales          | 500000 | 750000 | 700000 | 800000   | 900000 |
| 10% cash       | 100000 | 150000 | 140000 | 160000   | 180000 |
| 10% credit     | 400000 | 600000 | 560000 | 640000   | 720000 |
| 40% next month |        | 160000 | 240000 | 224000   | 256000 |
| 10% 2nd month  |        |        | 120000 | 180000   | 168000 |
| 10% 3rd month  |        |        |        | 80000    | 120000 |
| 10% 4th month  |        |        |        |          | 40000  |
|                |        |        |        | 4,84,000 |        |



cash budget for the month of June

| Particulars               | June     |
|---------------------------|----------|
| opening cash balance      | 77,820   |
| Add:- cash receipt        |          |
| 1) cash sales             | 1,60,000 |
| 2) collection of debtors  | 4,84,000 |
| 3) Income from investment | 8980     |
| Total Receipt (A)         | 7,30,800 |
| less:- cash payment       | 1,12,500 |
| 1) cash purchase          | 1,12,500 |
| 2) Payment to creditors   | 2,81,250 |
| 3) overheads              | 2,25,000 |
| Total payment (B)         | 6,18,750 |
| closing cash balance      | 1,12,050 |

Q.45 working

G.P = 25% <sup>Profit</sup> on cost

G.P = Net sales - costs

$$25 = 125 - 100$$

Cost 100

Profit 25

Sales 125

Costs = OS + Purchase - CS

$$\text{march} = 10000 + 150000 - 15000$$

$$= 1,45,000$$

$$\text{Apr} = 15000 + 160000 - 20000$$

$$= 1,55,000$$

Costs - Net sales

march 100

125

1,45,000

(?)

$$= 1,81,250$$



| Q.4 working           | mar              | apr   | may   | June     | July  |
|-----------------------|------------------|-------|-------|----------|-------|
| Purchase              | 30000            | 40000 | 35000 | 45000    | 50000 |
| 25% cash              | 7500             | 10000 | 8750  | 11250    | 12500 |
| 75% credit            | 22500            | 30000 | 26250 | 33750    | 37500 |
| 50% in next month     | <del>11250</del> | 11250 | 15000 | 13125    |       |
| 50% in 2nd next month |                  |       | 11250 | 15000    | 13125 |
|                       |                  |       |       | 2,81,250 |       |
| overheads             | 20000            | 22500 | 25000 | 20000    | 30000 |
| 1/2 of previous month |                  |       |       | 12500    |       |
| 1/2 of current month  |                  |       |       | 10000    |       |
|                       |                  |       |       | 2,25,000 |       |

| Q.45 cash budget of 3 months ending June | April    | May      | June     |
|------------------------------------------|----------|----------|----------|
| Particulars                              |          |          |          |
| opening cash balance                     | 25,000   | 30,000   | 20,000   |
| Add: cash receipts                       |          |          |          |
| 1) cash sales                            | 38,750   | 43,750   | 48,750   |
| 2) collection from debtors               | 1,45,000 | 1,55,000 | 1,75,000 |
| 3) Total receipts (A)                    | 2,08,750 | 2,28,750 | 2,43,750 |
| Less: cash payments:                     |          |          |          |
| 1) cash Purchase                         | 32,000   | 36,000   | 40,000   |
| 2) Payment to creditors                  | 1,24,000 | 1,36,000 | 1,52,000 |
| 3) Overheads                             | 22,750   | 26,750   | 28,500   |
| 4) Pur. of machine                       | —        | 10,000   | 8,250    |
| Total payment (B)                        | 1,78,750 | 2,08,750 | 2,28,750 |
| closing balance (A-B)                    | 30,000   | 20,000   | 15,000   |



|                                                      | Mar      | Apr                                      | May      | June     | July |
|------------------------------------------------------|----------|------------------------------------------|----------|----------|------|
| Sales                                                | 181,250  | 193,750                                  | 2,18,750 | 2,43,750 |      |
| 20% cash sales                                       | 36,250   | 38,750                                   | 43,750   | 48,750   |      |
| 80% credit sales                                     | 1,45,000 | 1,55,000                                 | 1,75,000 | 1,95,000 |      |
| <del>1/2 credit</del><br><del>1/2 previous amt</del> |          | <del>1,45,000</del><br><del>72,500</del> | 1,55,000 | 1,75,000 |      |
| Purchase                                             | 1,59,000 | 1,60,000                                 | 1,80,000 | 2,00,000 |      |
| 20% cash pur.                                        | 30,000   | 32,000                                   | 36,000   | 40,000   |      |
| 80% credit pur.                                      | 1,29,000 | 1,28,000                                 | 1,44,000 | 1,60,000 |      |
| <del>1/2 previous</del><br><del>2 amt</del>          |          | 60,000                                   | 64,000   | 72,000   |      |
| <del>1/2 current</del><br><del>amt</del>             | 60,000   | 64,000                                   | 72,000   | 80,000   |      |
|                                                      |          | 1,24,000                                 | 1,36,000 | 1,52,000 |      |

short Que...  
m. o. f.

Q.1 A B C D E  
A 30,000  
B 50,000  
C 60,000  
D 55,000  
E 50,000  
J -

G.P =  $33\frac{1}{3}\%$  on cost  
So, cost for CP = 100  
Profit = 33.33  
S.P = 133.33

$\text{COGS} = \text{O.S.} + \text{Pur.} - \text{C.S.}$   
 $\text{COGS} = \text{Sales} - \text{Gross profit}$   
 $\text{G.P} = \text{Sales} - \text{COGS}$   
 $33.33 = 133.33 - 100$

Sales      COGS  
 August    133.33    100  
           1,60,000    (97)  
           =  $1,60,000 \times \frac{133.33}{100}$   
           =  $2,13,328$     1,20,000

O.S.  
 A -  
 S 20,000  
 C 30,000  
 N 50,000  
 D 60,000  
 J 55,000



COGS = cost of goods sales

| september | sales    | COGS |                                |
|-----------|----------|------|--------------------------------|
|           | 133.33   | 100  | } <del>2,66,660</del> 1,50,000 |
|           | 2,00,000 | (9)  |                                |

| october | sales    | COGS |                                |
|---------|----------|------|--------------------------------|
|         | 133.33   | 100  | } <del>3,19,992</del> 1,80,000 |
|         | 2,40,000 | (9)  |                                |

| November | sales    | COGS |                                |
|----------|----------|------|--------------------------------|
|          | 133.33   | 100  | } <del>4,26,656</del> 2,40,000 |
|          | 3,20,000 | (9)  |                                |

| December | sales    | COGS |                                |
|----------|----------|------|--------------------------------|
|          | 133.33   | 100  | } <del>3,73,324</del> 2,10,000 |
|          | 2,80,000 | (9)  |                                |

| January | sales    | COGS |                                |
|---------|----------|------|--------------------------------|
|         | 133.33   | 100  | } <del>3,99,990</del> 2,25,000 |
|         | 3,00,000 | (9)  |                                |

$$\approx \text{COGS} = \text{O.S} + \text{Pur} - \text{C.S}$$

$$\text{Purchase} = \text{COGS} - \text{O.S} + \text{C.S}$$

August

$$= 120000 - 0 + 20000$$

$$= 140000$$

sep.

$$= 150000 - 20000 + 30000$$

$$= 160000$$

octo.

$$= 180000 - 30000 + 50000$$

$$= 200000$$

Nov.

$$= 2,40,000 - 50000 + 60000$$

$$= 250000$$



Dece.

$$= 2,10,000 - 60,000 + 55,000$$

$$= 2,05,000$$

Jan.

$$= 2,25,000 - 55,000 + 50,000$$

$$= 2,20,000$$

| month           | A        | S        | O        | N        | D        | J        |
|-----------------|----------|----------|----------|----------|----------|----------|
| Purchase        | 1,40,000 | 1,60,000 | 2,00,000 | 2,25,000 | 2,05,000 | 2,20,000 |
| Preceding month | 1,60,000 | 2,00,000 | 2,25,000 | 2,05,000 | 2,20,000 |          |

Ans. Purchase of October to December

October = 2,25,000

November = 2,05,000

December = 2,20,000

Q.2

m

|                       | July     | August   | September | October  |
|-----------------------|----------|----------|-----------|----------|
| Sales                 | 6,00,000 | 7,00,000 | 8,00,000  | 9,00,000 |
| 50% of cash sales     | 2,80,000 | 2,10,000 | 2,40,000  | 2,70,000 |
| 40% credit sales      | 4,20,000 | 4,90,000 | 5,60,000  | 6,30,000 |
| collection of debtors | ↓        | ↓        | ↓         | ↓        |
| 50% interest          | —        | 2,10,000 | 2,45,000  | 2,80,000 |
| 40% interest          |          |          | 1,68,000  | 1,96,000 |
| 10% interest          |          |          |           | 4,20,000 |
|                       |          | 2,10,000 | 4,13,000  | 5,18,000 |



Q.3 credit purchase

|                       | Jan   | Feb   | Mar   | Apr   | May   | June  |
|-----------------------|-------|-------|-------|-------|-------|-------|
|                       | 70000 | 72000 | 76000 | 66000 | 70000 | 78000 |
| 50% in 2nd next month |       |       | 35000 | 36000 | 38000 | 33000 |
| 50% in 3rd next month |       |       |       | 35000 | 36000 | 38000 |
|                       |       |       |       | 71000 | 74000 |       |

Q.4  
sales = 100  
Profit = 25  
cost = 75

$$\text{stock turnover ratio} = \frac{\text{COGS}}{\text{average stock}}$$

$$\text{Average stock} = \frac{\text{O.S} + \text{C.S}}{2}$$

|   | C.S   | O.P.  | COGS     |
|---|-------|-------|----------|
| J | 20000 | 0 -   | 100000   |
| F | 60000 | 20000 | 2,180000 |
| M | 80000 | 60000 | 6,30,000 |
| A | 60000 | 80000 | 8,40,000 |

$$\text{COGS} = \text{stock turnover ratio} = \frac{\text{COGS}}{\text{Ave. St.}}$$

$$5 = \frac{\text{COGS}}{\text{closing st.}}$$

∵ O/S is not given  
 we will take CS instead  
 of Ave. stock



$$\frac{\text{sales}}{\text{COGS}} = \frac{\text{sales}}{\text{COGS}} \times \frac{100}{75}$$

$$J. \quad 5 = \frac{\text{COGS}}{20000}$$

$$\text{COGS} = \underline{1,000,000}$$

$$\text{sales} = 1,000,000 \times \frac{100}{75}$$

$$\text{Jan} = \underline{1,333,333}$$

$$F. \quad \text{STO} = \frac{\text{COGS}}{\text{Ave. Stk.}}$$

$$7 = \frac{\text{COGS}}{40000}$$

$$\text{COGS} = \underline{2,800,000}$$

$$\text{sales} = 2,800,000 \times \frac{100}{75}$$

$$\text{Feb} = 3,733,333$$

$$M. \quad \text{STO} = \frac{\text{COGS}}{\text{Ave. Stk.}}$$

$$9 = \frac{\text{COGS}}{70000}$$

$$\text{COGS} = \underline{6,300,000}$$

$$\text{Mar} = 8,400,000$$

$$\text{sales} = 8,400,000 \times \frac{100}{75}$$

$$\text{Apr.} = \underline{11,200,000}$$

$$A. \quad \text{STO} = \frac{\text{COGS}}{\text{Ave. Stk.}}$$

$$12 = \frac{\text{COGS}}{70000}$$

$$\text{COGS} = \underline{8,400,000}$$

|   | C/S    | O/S    | COGS      | sales      |
|---|--------|--------|-----------|------------|
| J | 20,000 | -      | 1,000,000 | 1,333,333  |
| F | 60,000 | 20,000 | 2,800,000 | 3,733,333  |
| M | 80,000 | 60,000 | 6,300,000 | 8,400,000  |
| A | 60,000 | 80,000 | 8,400,000 | 11,200,000 |

→ cash sales : cr. sales

$$\frac{1}{5} : \frac{4}{5} = 5$$



|                  | T        | F        | M        | Th        | F               |
|------------------|----------|----------|----------|-----------|-----------------|
| Total sales      | 1,33,333 | 3,73,333 | 8,40,000 | 11,20,000 |                 |
| cash sales (5)   | 26667    | 74667    | 168000   | 2,24,000  |                 |
| credit sales (4) | 106667   | 298667   | 6,72,000 | 8,96,000  |                 |
| 50% next month   |          | 53,333   | 1,49,333 | 3,36,000  | 4,48,000        |
| 50% 2nd month    |          |          | 53,333   | 1,49,333  | 3,36,000        |
|                  |          |          |          | Ans →     | <u>7,84,000</u> |

|             |        |               |
|-------------|--------|---------------|
| Q.5         | August | September     |
| wages       | 12,000 | 15,000        |
| of previous |        | 4000          |
| of current  |        | <u>10000</u>  |
|             | Ans →  | <u>14,000</u> |

| Q.6              |              | 1st amount | 2nd amount | 3rd amount |
|------------------|--------------|------------|------------|------------|
| Total sales      | 90,000       | 68,400     | 68,400     |            |
| 20% cash sales   | 18,000       | 50% in     |            | 34,200     |
| 80% credit sales | 72,000       | 50% in     |            | 34,200     |
| (-5% returned)   | <u>3,600</u> | 2nd month  |            |            |
| credit sales     | 68,400       |            |            |            |

$$\begin{aligned}
 \text{Total sales} &= \text{cash sales} + \text{credit sales} \\
 &= 18,000 + 68,400 \\
 &= \underline{\underline{86,400}}
 \end{aligned}$$

$$\begin{aligned}
 \text{Commission} &= 5\% \times \text{Total sales} \\
 &= 5\% \times 86,400 \\
 &= \underline{\underline{Rs 4,320}}
 \end{aligned}$$



| Q.7              | J        | A        | S        | O        |
|------------------|----------|----------|----------|----------|
| Total sales      | 3,00,000 | 3,50,000 | 4,00,000 | 4,50,000 |
| 30% cash sales   | 90,000   | 1,05,000 | 1,20,000 | 1,35,000 |
| 70% credit sales | 2,10,000 | 2,45,000 | 2,80,000 | 3,15,000 |
| 50% next month   |          | 1,05,000 | 1,22,500 | 1,40,000 |
| 40% 2nd month    |          |          | 84,000   | 98,000   |
| 10% 3rd month    |          |          |          | 21,000   |
|                  |          |          |          | 2,59,000 |

Total cash receipt in October sales = cash sales + credit sales  
 $= 1,35,000 + 2,59,000$   
 $= \underline{\underline{3,94,000}}$

Q.44 working:-

|                    | Feb      | Mar      | Apr      | May      | June     |
|--------------------|----------|----------|----------|----------|----------|
| Total sales        | 6,00,000 | 7,00,000 | 4,00,000 | 5,40,000 | 4,50,000 |
| 25% cash sales     | 1,50,000 | 1,75,000 | 1,00,000 | 1,35,000 | 1,12,500 |
| 75% credit sales   | 4,50,000 | 5,25,000 | 3,00,000 | 4,05,000 | 3,37,500 |
| 60% next month     |          | 2,70,000 | 3,15,000 | 1,80,000 | 2,43,000 |
| 40% 2nd month      |          |          | 1,80,000 | 2,10,000 | 1,20,000 |
| colle. from deb.   |          |          | 4,95,000 | 3,90,000 | 3,63,000 |
| Purchase           | 4,20,000 | 5,00,000 | 5,50,000 | 4,50,000 | 4,00,000 |
| 25% cash           | 1,05,000 | 1,25,000 | 1,37,500 | 1,12,500 | 1,00,000 |
| 75% credit         | 3,15,000 | 3,75,000 | 4,12,500 | 3,37,500 | 3,00,000 |
| 1/2 Previous month |          |          | 1,87,500 | 2,06,250 | 1,68,750 |
| 1/2 current month  |          |          | 2,06,250 | 1,68,750 | 1,50,000 |
| Pay to creditors   |          |          | 3,93,750 | 3,75,000 | 3,18,750 |
| wages              | 50,000   | 60,000   | 40,000   | 70,000   | 50,000   |
| 1/4 Previous month |          |          | 15,000   | 10,000   | 17,500   |
| 3/4 current month  |          |          | 25,000   | 52,500   | 37,500   |
|                    |          |          | 45,000   | 62,500   | 55,000   |



Q.44

| Particulars                       | April             | May                | June               |
|-----------------------------------|-------------------|--------------------|--------------------|
| opening cash balance              | 60,000            | 27,500             | [29,750]           |
| Add:- cash receipt                | 40,000            | 121,500            | 101,250            |
| 1) cash sales [with 10% discount] | <del>40,000</del> | <del>135,000</del> | <del>112,500</del> |
| 2) collection from debtors        | 495,000           | 3,90,000           | 63,63,000          |
| 3) Interest on investment         | —                 | —                  | 20,000             |
| Total receipts [A]                | 6,45,000          | 5,39,000           | 4,54,500           |
| Less:- cash payment:-             |                   |                    |                    |
| 1) cash purchase [with 10% dis]   | 1,23,750          | 1,01,250           | 90,000             |
| 2) Payment on creditors           | 3,93,750          | 3,75,000           | 3,18,750           |
| 3) Wages                          | 45,000            | 62,500             | 55,000             |
| 4) Overheads                      | <del>45,000</del> | <del>30,000</del>  | <del>60,000</del>  |
| 5) Interest on debentures         | 10,000            | —                  | —                  |
| Total payment [B]                 | 6,17,500          | 5,68,750           | 5,23,750           |
| Closing cash balance [A-B]        | 27,500            | [29,750]           | [69,250]           |

→ Investment = 10% × 400,000  
= 40,000 annual int per year

⇒ Interest receivable half  
yearly =  $\frac{40,000}{2}$

= 20,000

|                   |        |                   |        |        |        |
|-------------------|--------|-------------------|--------|--------|--------|
| Overheads         | 47,500 | 57,500            | 42,500 | 72,500 | 45,000 |
| (-) Depreciation  | 12,500 | 12,500            | 12,500 | 12,500 | 12,500 |
|                   | 35,000 | <del>45,000</del> | 30,000 | 60,000 | 32,500 |
| Payment (1) month |        |                   | 15,000 | 30,000 | 60,000 |

debentures = 500,000 × 8% = 40,000

Quarterly =  $\frac{40,000}{4}$  = 10,000



| Ex. 42 cash budget for 3 month ending 30 <sup>th</sup> June |           |           |           |  |
|-------------------------------------------------------------|-----------|-----------|-----------|--|
| Particulars                                                 | April     | May       | June      |  |
| opening cash balance                                        | 3,20,000  | 94,400    | (-82,840) |  |
| Add :- cash receipt                                         |           |           |           |  |
| 1) cash sales - 10% cash dis                                | 90,000    | 1,08,000  | 1,44,000  |  |
| 2) collection from debtors                                  | 2,52,000  | 374,000   | 3,96,000  |  |
| 3) Income tax Refund                                        | -         | 1,20,000  | -         |  |
| 4) Invest income                                            | -         | 7960      | -         |  |
| 5) dividend on equity sales                                 | -         | -         | 3,75,000  |  |
| 6) Total receipts [A]                                       | 6,16,000  | 6,54,360  | 8,32,160  |  |
| Less :- cash payments                                       |           |           |           |  |
| 1) cash purchase (- 10% dis)                                | 2,125,000 | 2,70,000  | 2,25,000  |  |
| 2) payment to creditor                                      | 150,000   | 250,000   | 300,000   |  |
| 3) Factory OH                                               | 76,000    | 76,000    | 90,000    |  |
| 4) Admin exp                                                | 42,000    | 59,000    | 52,000    |  |
| 5) selling exp                                              | 39,000    | 47,000    | 55,000    |  |
| 6) Purchase of machinery                                    | 41,600    | 41,200    | 40,800    |  |
| Total of Payment                                            | 5,67,600  | 7,37,200  | 7,62,800  |  |
| closing balance                                             | 94,400    | (-82,840) | 69,360    |  |



Ex. 42 working :-

|                  | Feb      | Mar    | Apr    | May    | June   |
|------------------|----------|--------|--------|--------|--------|
| Sales            | 3,00,000 | 400000 | 500000 | 600000 | 800000 |
| 50% cash         | 60000    | 80000  | 100000 | 120000 | 160000 |
| 50% credit       | 240000   | 320000 | 400000 | 480000 | 640000 |
| 10% return       | 24000    | 32000  | 40000  | 48000  | 64000  |
| Net cr. sales    | 216000   | 288000 | 360000 | 432000 | 576000 |
| 50% next month   |          | 108000 | 144000 | 180000 | 216000 |
| 50% next month   |          |        | 108000 | 144000 | 180000 |
| coll. of debtors |          |        | 252000 | 324000 | 396000 |
| Purchase         | 200000   | 300000 | 500000 | 600000 | 500000 |
| 50% cash         | 100000   | 150000 | 250000 | 300000 | 250000 |
| 50% cr. pur.     | 100000   | 150000 | 250000 | 300000 | 250000 |
| Pay to creditors |          | 100000 | 150000 | 250000 | 300000 |
| Factory off      | 60000    | 80000  | 60000  | 80000  | 100000 |
| 1/4 Previous     | 3000     | 30000  | 40000  | 30000  | 40000  |
| 1/4 current      |          | 40000  | 30000  | 40000  | 50000  |
|                  |          | 70000  | 70000  | 70000  | 90000  |
| Adm. exp.        | 24000    | 36000  | 44000  | 64000  | 48000  |
| 1/4 Previous     |          |        | 9000   | 11000  | 16000  |
| 3/4 current      |          |        | 33000  | 48000  | 36000  |
|                  |          |        | 42000  | 59000  | 52000  |
| Selling exp.     | 24000    | 32000  | 40000  | 48000  | 56000  |
| 1/8 Previous     |          |        | 4000   | 5000   | 6000   |
| 7/8 current      |          |        | 35000  | 42000  | 49000  |
|                  |          |        | 39000  | 47000  | 55000  |

$$\begin{aligned}
 * \text{Invest income} &= 100000 \times 10\% - 20.40\% \text{ tax} \\
 &= 10000 - 20.40\% \text{ tax} \\
 &= \underline{\underline{7960}}
 \end{aligned}$$



$\star \text{Dividend} = 250000 \text{ equity} \times \text{Face value} - \text{Rs. } 100$   
 $= 250000 \times 100$   
 $= 25000000 \times 15\%$   
 $= 3,75,000$

$\star \text{Machinery cost} = 200000$   
 $20\% \text{ Paid amt.} = \underline{40000}$   
 $1,60,000$

Rs. 1,60,000 is paid in 4 equal instalment.

$\text{equal inst.} = \frac{1,60,000}{4}$

$= \underline{40,000}$

|             | April       | May         | June       | July       |
|-------------|-------------|-------------|------------|------------|
| Instalment  | 40000       | 40000       | 40000      | 40000      |
| 1% interest | <u>1600</u> | <u>1200</u> | <u>800</u> | <u>400</u> |
|             | 41600       | 41200       | 40800      | 40400      |

160000

interest [1%]

$- \underline{40000} \rightarrow \text{April} \rightarrow 1600$

$120000 \rightarrow \text{May} \rightarrow 1200$

$- \underline{40000}$

$80000 \rightarrow \text{June} \rightarrow 8000$

$- \underline{40000}$

$40000 \rightarrow \text{July} \rightarrow 400$