

Que. 1

WN1 Calculation of cash and credit sales

Particulars	February	March	April	May	June
Sales	450000	500000	300000	420000	350000
Cash Sales 20%	90000	100000	60000	84000	70000
Credit Sales 80%	360000	400000	240000	336000	280000

Forecast of Cash Receipts

Particulars	February	March	April	May	June
Net cash sales after discount allowed	88200	98000	58800	82320	68600
Received from debtors (Two months after sale)			360000	400000	240000
Sale of machinery			100000		
TOTAL RECEIPTS			518800	482320	308600

Forecast of Cash Payments

Particulars	February	March	April	May	June
Payments to suppliers					
a) one month after purchase		256000	280000	200000	320000
b) two months after purchase			64000	70000	50000
Payments to wages					
a) on the due date	22500	36000	24000	30000	24000
b) in the next month		7500	12000	8000	10000
Payment to other expenses (after one month)		25000	30000	25000	42000
Payment of income tax					50000
TOTAL PAYMENTS			410000	333000	496000

Summary of Cash Budget

Particulars	April	May	June
Opening balance	25000		
Add: Receipts	518800	482320	308600
Total cash inflow	543800	482320	308600
Less: Payments	410000	333000	496000
Net Cash Flow	133800	149320	-187400
Cumulative net cash flow	133800	283120	95720
Minimum cash balance required	60000	60000	60000
Surplus/ Deficit (cumulative net cash flow)	73800	223120	35720

Que. 2

WN1 Calculation of cash and credit sales

Particulars	February	March	April	May	June
Sales	600000	750000	400000	760000	500000
Cash Sales	120000	150000	80000	152000	100000
Credit Sales	480000	600000	320000	608000	400000

Forecast of Cash Receipts

Particulars	February	March	April	May	June
Net cash sales after discount allowed	117600	147000	78400	148960	98000
Received from debtors (Two months after sale)			480000	600000	320000
Sale of machinery			135000		
TOTAL RECEIPTS			693400	748960	418000

Forecast of Cash Payments

Particulars	February	March	April	May	June
Payments to suppliers					
a) one month after purchase		360000	440000	256000	528000
b) two months after purchase			90000	110000	64000
Payments to wages					
a) on the due date	33750	54000	33000	42000	37500
b) in the next month		11250	18000	11000	14000
Payment to other expenses (after one month)		38000	42000	60000	62000
Payment of income tax					40000
TOTAL PAYMENTS			623000	479000	745500

Summary of Cash Budget

Particulars	April	May	June
Opening balance	35000		
Add: Receipts	693400	748960	418000
Total cash inflow	728400	748960	418000
Less: Payments	623000	479000	745500
Net Cash Flow	105400	269960	-327500
Cumulative net cash flow	105400	375360	47860
Minimum cash balance required	90000	90000	90000
Surplus/ Deficit (cumulative net cash flow - min. balance)	15400	285360	-42140

Que. 3

Baumol Model

$$C = [(2 \cdot b \cdot T) / I]^{0.5}$$

b	9000
T	225000000
I	0.15

C **5196152.42**

Que. 4

Baumol Model

$$C = [(2 \cdot b \cdot T) / I]^{0.5}$$

b	6000
T	4000000
I	0.12

C **632455.53**

Que. 5

Miller an Orr Model

b	5000
	6000
²	36000000
I	0.1
LL	100000

RP **111052**

$$UL = 3RP - 2LL$$

UL **133156**

0.00028

Que. 6

Miller an Orr Model

b	5000
	7000
²	49000000
I	0.14
LL	500000

RP **510949**

$$UL = 3RP - 2LL$$

UL **532846**