**BUDGETING**

1. Kevin owns *Sheedy Enterprises* and he estimates he has the following receipts and payments for July, August and September 2010. As of 31 July 2010, *Sheedy Enterprises* has a bank balance of $8,200. Prepare a quarterly cash budget for *Sheedy Enterprises* for the three months ending September 2010.

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|  | **July** | **August**  | **September** |
| Estimated Cash Sales | 8,250 | 8,250 | 9,250 |
| Receipts from a/c receivable | 2,500 | 2,000 | 2,500 |
| Cost of Goods Sold | 2,250 | 2,250 | 3,000 |
| Advertising | 500 | 500 | 500 |
| Electricity | 250 | 250 | 250 |
| Office Expenses | 1,000 | 1,000 | 1,500 |
| Drawings | 4,000 | 4,000 | 5,000 |
| Payments to a/c payable | 1,250 | 1,250 | 1,500 |

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2. Use the following information to prepare a budget variance report for *Aldo’s Kitchenware* at 31 October 2015. The business has a bank balance of $4,000

**Budget Actual**

Office Expenses 4000 3500

Cash Sales 21000 22000

COGS 2500 2500

Wages 5000 5500

Advertising 1000 1500

Receipts from a/c rec. 2500 3000

Payments to a/c pay. 4000 5000

Drawings 6000 8000

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3. Mike has the following information for the month of March 2012 for his business, *Tyson Security Services.* As of 1 March 2012, *Tyson Security* has a bank balance of $600.

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|  | **Budget** | **Actual** |
| Office Expenses | 4,000 | 4,600 |
| Advertising | 500 | 500 |
| Drawings | 5,000 | 6,000 |
| Cash Fees | 21,500 | 14,950 |
| Wages | 5,500 | 4,500 |
| Payments to Accounts Payable | 3,000 | 3,000 |
| Credit Sales | 12,000 | 9,000 |
| Credit Purchases | 2,000 | 2,000 |
| Receipts from Accounts Receivable | 4,700 | 1,600 |
| Vehicle Expenses | 2,000 | 1,700 |

1. Prepare a Cash Budget Variance Report for *Tyson Security Services* for the month of March 2012.

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1. Comment on the cash position of *Tyson Security Services.*

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1. What action could Mike take? Include three (3) actions.

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4. Pierre Blanc has been trading for some years as a retailer of cheese. His bank account is expected to have an overdrawn balance of $3,100 at 31 March 2016, and Pierre needs to show his bank manager that this can be reduced over the following 3 months. The details of his expenditure are as follows:

Sales, which are all made for cash, are expected to be as follows:

 $

April 2016 4,100

May 2016 5,200

June 2016 6,000

Purchases will be made as follows:

 $

April 2016 2,050

May 2016 2,100

June 2016 3,500

Rent of $5,400 per annum is payable monthly.

Pierre employs a part-time member of staff who is paid $300 per month.

Pierre plans to make drawings of $500 per month.

Other expenses will be paid as follows:

 $

April 2016 150

May 2016 200

June 2016 350

Sales and purchases made in January to March were as follows:

Sales Purchases

 $ $

January 2016 3,600 1,700

February 2016 3,700 1,800

March 2016 3,800 1,900

Prepare Pierre’s cash budget for the 3 months ended 30 June 2016.