

Vol. 2, Chapter 13 – Current Asset Management

Problem 1

1. none
2. +
3. +
4. none
5. –
6. +

Problem 2

1. $\frac{240}{8000 - 240} \times \frac{365}{50} = 22.58\%$
2. $\frac{5,000}{45,000} = 11.11\%$

Problem 3

CASH BUDGET

	January	February	March
Cash Balance, Beg.	\$ 20,000	\$ 38,750	\$ 44,045
Add Receipts			
Dues	\$ 68,000	\$ 72,000	\$ 74,000
Collections of A/R	\$ 105,600	\$ 78,000	\$ 85,000
Food & Bev. Sales—Cash	\$ 4,200	\$ 4,500	\$ 6,000
Interest Income	\$ 5,000	\$ -	\$ -
Est. Cash Available	\$ 202,800	\$ 193,250	\$209,045
Est. Cash Disbursements			
Payroll	\$ 28,770	\$ 31,325	\$ 34,300
Food & Beverage	\$ 50,280	\$ 32,880	\$ 35,800
Administrative	\$ 70,000	\$ 70,000	\$ 70,000
Mortgage	\$ 15,000	\$ 15,000	\$ 15,000
Equipment			\$ 40,000
	\$ 164,050	\$ 149,205	\$195,100
Estimated Cash—End of the Month	\$ 38,750	\$ 44,045	\$ 13,945