**CASH BUDGET**

**REQUIRED:**

Prepare the cash budget of Ding Dong Traders for February and March 2023. Show workings for the collection from debtors and the payments to creditors.

**INFORMATION:**

**1. Information for the three months ended 31 March 2023:**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Actual** | **Budgeted** | |
|  | **January** | **February** | **March** |
| Sales (80 % on credit) | 240 000 | 252 000 | 273 000 |
| Wages paid | 18 000 | 18 000 | ? |
| Sundry cash expenses | 13 000 | ? | 12 000 |
| Depreciation | 1 000 | 1 000 | 1 000 |

**2. Additional information:**

2.1 It is expected that debtors will settle their accounts as follows:

10 % within the same month as the sale subject to the 2 % discount

70 % during the first month after the month of sale, and

18 % during the second month after the month of sale.

The remaining 2 % usually represent bad debts.

2.2 The credit sales for December 2022 were R186 200.

2.3 Goods are sold at a markup of 50%. 60% of all purchases are on credit. Trade creditors are paid in the month following the month in which the transaction was made at a discount of 2 %.

2.4 Expenses and income, unless otherwise stated, are paid and received as they arise.

2.5 Sundry cash expenses increased by 20% in March.

2.6 Wages increased by 12% on the 1st of March.

2.7 The unfavourable bank balance on 1 February 2023 was R46 300.

**COLLECTION SCHEDULE**

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **FEBR** | **MARCH** |
| DEC |  |  |  |
| JAN |  |  |  |
| FEBR |  |  |  |
| MARCH |  |  |  |
|  |  |  |  |

**CREDIT PAYMENT SCHEDULE**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **JAN** | **FEBR** | **MARCH** |
| PURCHASES |  |  |  |
| CASH PURCHASES |  |  |  |
| CREDIT PURCHASES |  |  |  |
| PAYMENTS |  |  |  |

**CASH BUDGET**

|  |  |  |
| --- | --- | --- |
|  | **FEBR** | **MARCH** |
| **RECEIPTS** |  |  |
| Cash sales |  |  |
| Cash from debtors |  |  |
| TOTAL |  |  |
|  |  |  |
| **PAYMENTS** |  |  |
| Cash purchases |  |  |
| Payments to creditors |  |  |
| Wages |  |  |
| Sundry expenses |  |  |
| TOTAL |  |  |
| Surplus |  |  |
| Bank Opening |  |  |
| Bank Closing |  |  |