Cash Flow Forecasts (with a variation) Sheet 2

1. Keegan owns a lawn mowing business. He employs a student to help him in the busy times.

Keegan has the following information

Income from mowing lawns – April $2 000, May $1 000, June $ 500

Fuel – April $1 000, May $700, June $500

Wages – April $600, May $600, June $600

Repairs – April $300, May $1700, June $100

He has $700 in the bank account at the start of April.

In May he noticed that his repair bill has very expensive and this was because his lawn mowers were all very old. The repair shop advised Keegan that they could no longer repair the lawnmowers, as spare parts were not available. Keegan had to purchase 3 new lawnmowers in June at a cost of $400 each.

YOU ARE REQUIRED TO

1. On Sheet 1 prepare a cashflow forecast based on the information above, excluding the purchase of the new lawn mowers
2. Copy Sheet 1 into Sheet 2, and prepare a new cash flow forecast including the purchase of the new lawn mowers
3. Copy Sheet 2 onto Sheet 3 and adjust your cashflow statement to reflect any changes that need to be made to allow for the purchase of the new lawn mowers.

2. Terrell owns a sports shoe business.

His estimated payments and receipts are

Cash shoe sales – July $12 000, August $13 000, September $14 000

Cash from credit sales of shoes – July $3000, August $5 000, September $1 000

Interest Received – July $80, August $90. September $100

Wages – July $7 000, August $7 000, September $7 000

Shop Rent- July $5 000, August $5 000, September $5 000

Insurance – July $700, August $700, September $700

Drawings – July $12 000, August $10 000, September $10 000

He has $1 000 in the bank at the start of July.

In August Terrell was fined by the Commerce Commission for breeches of the Fair Trading Act. This fine was $10 000.

YOU ARE REQUIRED TO

1. On Sheet 1 prepare a cashflow forecast based on the information above, excluding the fine
2. Copy Sheet 1 into Sheet 2, and prepare a new cash flow forecast including the fine
3. Copy Sheet 2 onto Sheet 3 and adjust your cashflow statement to reflect any changes that need to be made to allow for fine to the Commerce Commission.