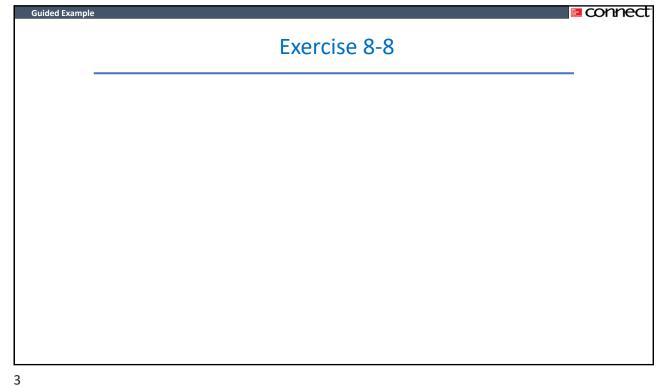


Guided Example connect Treeforms Outfitters is a retailer that is preparing its budget for the upcoming fiscal year. Management has prepared the following summary of its budgeted cash flows: 1st Quarter 2nd Quarter 3rd Quarter 4th Quarter \$650,000 \$700,000 \$490,000 \$510,000 Total cash receipts Total cash disbursements \$850,000 \$485,000 \$460,000 \$525,000 The company's beginning cash balance for the upcoming fiscal year will be \$35,000. The company requires a minimum cash balance of \$25,000 and may borrow any amount needed from a local bank at a quarterly simple interest rate of 5%. The company may borrow any amount at the beginning of any quarter and may repay its loans, or any part of its loans, at the end of any quarter. Interest payments are due on any principal at the time it is repaid. Required: Prepare the company's cash budget for the upcoming fiscal year. [LO8]



Guided Example			≥ connec
	oston Bob's is the wholesale distributor of a recreational kay ollowing summary data to use in its annual budgeting process	_	ent has prepared the
	Budgeted unit sales	4,000	
	Selling price per unit	\$495	
	Cost per unit	\$430	
	Variable selling and administrative expenses (per unit	\$21	
	Fixed selling and administrative expenses (per year)	\$65,000	
	Interest expense for the year	\$14,000	
P	equired: repare the company's budgeted income statement using an a ormat as shown (financial statement format).	absorption inco	ome statement
			[rOa]