

Answer on Question #43727, Economics, Finance

CASH BUDGET

	Month 1	Month 2	Month 3
Sales	3,000	3,000	3,000
Cash sales (40% with 2% discount)	1,176	1,176	1,176
Collection (1 month lag)		1,800	1,800
TOTAL CASH RECEIPTS	1,176	2,976	2,976
Purchases	1,500	1,500	1,500
Wages, Rent and Taxes	700	700	700
TOTAL CASH DISBURSEMENTS	2,200	2,200	2,200
Beginning cash		(1,024)	(248)
ENDING CASH GAIN (LOSS)	(1,024)	(248)	528

The average cash gain during a typical month for the Chadmark Corporation is \$776, if we don't count the beginning cash, which is differ in different months.