

Model Question Paper**Cash budget - Part II**

12th Standard

AccountancyReg.No. :

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I. Answer all the questions.

II. Use blue pen only.

Time : 02:00:00 Hrs

Total Marks : 100

5 x 1 = 5

Part-A

- 1) is a blue print of future course of action and activities.
- 2) One of the main budgets prepared by a business concern is.....
- 3) A budget is expressed in terms of..... or.....units.
- 4) A transaction of a firm directly or indirectly deals with.....
- 5) The cash balance of current month will be the opening cash balance of next month.

Part-B

5 x 5 = 25

- 6) Give few examples for cash receipts.
- 7) Give few examples for cash payments.
- 8) Enumerate the steps in the preparation of cash budget.
- 9) Prepare cash budget for the month of January 2005 from the following information a) Cash in hand (estimated) Rs.250
b) Cash sales for January, 2005 Rs.6,500
c) Wages for the month of January Rs.2,375
d) Cash purchases Rs.2,745
e) Interest receivable on investments Rs.175.
- 10) Prepare cash budget for the month of October from the following information a) Estimated cash balance on 1st October Rs.1,775
(b) Credit sales : August Rs.14,000
 September Rs.16,000
 October Rs.17,000
Period of credit allowed to customers is one month
(c) Credit purchases : August Rs. 8,000
 September Rs.12,000
 October Rs.10,000
Period of credit allowed by suppliers is two months
(a) Purchase of plant Rs.7,000
(b) Wages to be paid in october Rs.2,000

Part-C

3 x 12 = 36

- 11) Prepare a cash budget for October, November and December 2004 from the following information

Month & year	Sales Rs.	Purchases Rs.	Expenses Rs.
September 2004	10,00,000	8,00,000	1,10,000
October 2004	12,00,000	12,00,000	1,30,000
November 2004	14,00,000	8,00,000	1,50,000
December 2004	16,00,000	10,00,000	1,70,000

1. All sales are for cash. 2. The period of credit allowed by the suppliers is one month. 3. Lag in payment of expenses is one month. 4. Opening balance of cash on 1.10.2004 is Rs.90,000. 5. In December, an asset for Rs.4,00,000 is to be purchased.

- 12) Write notes on Receipts and Payments method.

Part-D

2 x 20 = 40

- 13) Prepare cash budget for April, May and June 2005.

Month	Credit Sales Rs.	Credit Purchase Rs.	Wages & Other Direct Expenses Rs.
February	1,70,000	1,00,000	50,000
March	3,25,000	2,00,000	60,000
April	4,40,000	3,00,000	70,000
May	5,75,000	4,00,000	80,000
June	6,60,000	5,00,000	90,000

- a) Expected cash balance on 1st April Rs.80,000.
- b) Credit allowed by suppliers is two months and to customers is two months.
- c) Lag in payment of wages is one month.

14) From the following information prepare cash budget for February and March 2005

Particulars	January Rs	February Rs	March Rs
Cash Purchases	1,50,000	1,00,000	1,50,000
Cash sales	1,40,000	1,52,500	2,37,500
Credit Purchases	52,500	1,32,500	1,62,500
Credit Sales	1,67,500	1,62,500	2,00,000
Expenses	35,000	40,000	35,000

- 1) Estimated opening cash balance on 1st February is Rs.30,000.
- 2) Credit allowed by suppliers and credit allowed to customers is one month.
- 3) Expenses are payable in the same months.
- 4) Dividend receivable in February Rs.18,000
- 5) Commission payable in March Rs.1,00,000

