4. Complete the following cash budget:

Cash Budget	January	February	March	Quarter
Cash balance, beginning	$ 6,000			
Add cash collections	64,000			
Total cash available	70,000			
Less cash disbursements:				
For inventory	45,150			
For operating expenses	19,400			
For equipment	3,000			
Total cash disbursements	67,550			
Excess (deficiency) of cash	2,450			
Financing				
Etc.				

5. Prepare an absorption costing income statement, similar to the one shown in Schedule 9 in the chapter, for the quarter ended March 31.
6. Prepare a balance sheet as of March 31.

PROBLEM 9–27 Completing a Master Budget [LO 9–2, LO 9–4, LO 9–7, LO 9–8, LO 9–9, LO 9–10]
Nordic Company, a merchandising company, prepares its master budget on a quarterly basis. The following data have been assembled to assist in preparation of the master budget for the second quarter.

a. As of March 31 (the end of the prior quarter), the company's balance sheet showed the following account balances:

Cash	$ 9,000	
Accounts receivable	48,000	
Inventory	12,600	
Buildings and equipment (net)	214,100	
Accounts payable		$ 18,300
Capital stock		190,000
Retained earnings		75,400
	$283,700	$283,700

b. Actual sales for March and budgeted sales for April–July are as follows:

March (actual)	$60,000
April	$70,000
May	$85,000
June	$90,000
July	$50,000

c. Sales are 20% for cash and 80% on credit. All payments on credit sales are collected in the month following the sale. The accounts receivable at March 31 are a result of March credit sales.
d. The company's gross margin percentage is 40% of sales. (In other words, cost of goods sold is 60% of sales.)
e. Monthly selling and administrative expenses are budgeted as follows: salaries and wages, $7,500 per month; shipping, 6% of sales; advertising, $6,000 per month; other expenses, 4% of sales. Depreciation, including depreciation on new assets acquired during the quarter, will be $6,000 for the quarter.