

Exercise 9

Cashflow Budgeting

Your task

As a manager of an event management company, you are required to complete a cash flow forecast using the template provided.

Your cash flow forecast will predict the bank balance at the end of each month for every month of the year.

The information you have at your disposal to complete this task is as follows:

- A. The event management company has on its books four (4) major events to run which will take place in March, May, August, and October.
- B. The total of \$285,000 of ticket sales will be earned in the months that the events are held. The March event will earn \$65,000, and the other events in May, August and October will earn \$70,000, 85,000 and \$65,000 respectively.
- C. Expenditure on casual salaries, travel and transport, and venue hire will occur only in the months in which the four events take place. These expenditures will be the same for each event.
- D. Salaries and Office and administration expenses will occur evenly every month.
- E. The company's opening bank balance on 1 January is \$5,000
- F. The company will receive a government grant of \$50,000 in July.
- G. The company will make a small income from Merchandising during the months in which the four events are staged. The event in March will earn \$1,300 merchandising income, and the other events in May, August and October will earn \$1,600, \$1,800 and \$1,300 respectively.

Getting Started

You have provided with two different resources to help you complete this exercise. Use only ONE of the two resources:

1. A worksheet in MS Word format
2. A worksheet in MS Excel format

The worksheet in MS Excel format should be preferred if you have the skills to enter appropriate formula to carry out the simple arithmetic tasks.

Otherwise use the template on the next page in this document.

