

Hampton machine tool case solution



**ASSIGN
BUSTER**

CASH BUDGET for HAMPTON MACHINE TOOL(000 \$) CURRENT September
 October November December Receipts: A/R Collection(assumes 30-day;
 Oct& Nov. less advances of \$840 and \$726, respectively) Bank Loan Total
 Cash Inflow Expenditures: A/P Payment(paid in 30 days) Other Op. Outlays
 CAPITAL EXPENDITURE Taxes Interest Loan Principal Dividends Total Cash
 Outflow Beginning Cash Net Monthly Cash Flow ENDING CASH 684. 000
 2243. 000 1323. 000 2022. 000 779. 000 350. 000 2136. 000 1604. 000
 2369. 750 January Sales -Advances 2265. 000 Entire Credit 1933. 500 sales
 for November 600. 000 400. 000 948. 00 400. 000 181. 000 15. 000 600.
 000 400. 000 600. 000 400. 000 350. 000 20. 250 600. 000 400. 000 181.
 000 20. 250 1350. 000 150. 000 2701. 250 765. 750 -331. 500 15. 000 1544.
 000 1559. 000 699. 000 1015. 000 699. 000 1007. 000 1370. 250 1007. 000
 765. 750 1000. 000 -331. 500 933. 500 Negative balance due to loans and
 dividend. CASH BUDGET for HAMPTON MACHINE TOOL(000 \$) Early
 Repayment September October Receipts: A/R Collection(assumes 30-day;
 Oct& Nov. less advances of \$840 and \$726, respectively) Bank Loan Total
 Cash Inflow Expenditures: A/P Payment(paid in 30 days) Other Op.
 Outlays CAPEX Taxes Interest Loan Principal Dividends Total Cash Outflow
 Beginning Cash ENDING CASH 684. 000 2243. 000 1323. 000 1822. 000 948.
 000 400. 000 181. 000 15. 000 200. 000 1744. 000 1559. 000 499. 000 600.
 000 400. 000 12. 000 100. 000 1112. 000 499. 000 710. 000 TOOL(000 \$)
 Early Repayment November December January 779. 000 350. 000 1839. 000
 1604. 000 2077. 250 2265. 000 1945. 500 600. 000 400. 000 350. 000 15.
 750 600. 000 400. 000 181. 000 15. 750 1050. 000 150. 000 2396. 750 473.
 250 -319. 500 600. 000 400. 000

Also read Flashcard Machine

Sales -Advances = 2163 – 840 Entire Credit sales for November 1365. 750
 710. 000 473. 250 1000. 000 -319. 500 945. 500 Negative balance even
 after early repayment of principal. CASH BUDGET for HAMPTON MACHINE
 TOOL(000 \$) Early Repayment without divid September October Receipts:
 A/R Collection(assumes 30-day; Oct& Nov. less advances of \$840 and \$726,
 respectively) Bank Loan Total Cash Inflow Expenditures: A/P Payment(paid in
 30 days) Other Op. Outlays CAPITAL EXPENDITURE Taxes Interest Loan
 Principal Dividends Total Cash Outflow Beginning Cash Net Monthly Cash
 Flow ENDING CASH 84. 000 2243. 000 1323. 000 1822. 000 948. 000 400.
 000 181. 000 15. 000 200. 000 1744. 000 1559. 000 499. 000 600. 000 400.
 000 12. 000 100. 000 1112. 000 499. 000 710. 000 \$) Early Repayment
 without dividends November December January 779. 000 350. 000 1839.
 000 1604. 000 2077. 250 2265. 000 2095. 500 Sales Advances Entire Credit
 sales for November 600. 000 400. 000 350. 000 15. 750 600. 000 400. 000
 181. 000 15. 750 1050. 000 2246. 750 473. 250 -169. 500 600. 000 400. 000
 5. 250 200. 000 1205. 250 -169. 500 890. 250 1365. 750 710. 00 473. 250
 Negative balance even after early repayment of principal without CASH
 BUDGET for HAMPTON MACHINE TOOL(000 \$) extended Repayment with
 divid September October Receipts: A/R Collection(assumes 30-day; Oct&
 Nov. less advances of \$840 and \$726, respectively) Bank Loan Total Cash
 Inflow Expenditures: A/P Payment(paid in 30 days) Other Op. Outlays
 CAPITAL EXPENDITURE Taxes Interest Loan Principal Dividends Total Cash
 Outflow Beginning Cash Net Monthly Cash Flow ENDING CASH 684. 000
 2243. 000 1323. 000 2022. 000 948. 000 400. 000 181. 00 15. 000 600. 000

400. 000 15. 000 1544. 000 1559. 000 699. 000 1015. 000 699. 000 1007.
000 \$) extended Repayment with dividends November December January
779. 000 350. 000 2136. 000 1604. 000 2369. 750 Sales 2265. 000
Advances 2283. 500 600. 000 400. 000 350. 000 20. 250 600. 000 400. 000
181. 000 20. 250 1000. 000 150. 000 2351. 250 765. 750 18. 500 600. 000
400. 000 Entire Credit sales for November 5. 250 350. 000 1355. 250 18. 500
928. 250 1370. 250 1007. 000 765. 750 Finally a positive balance due to
delay in repayment of \$350, 000.