Cash Budgets

 

*Aim:* To show how a firm can anticipate the flow of cash in and out over a period of time

These are very like the Household Budget Tables and Cash Flow Statements done in Junior Cert. They show the flow of cash in and out of a business. You have to work out Net Cash Inflow/Outflow, as well as the Opening and Closing Cash Balances.

Basic Structure is outlined in the table below.

Inflow – Outflow = Net Inflow/Net Outflow

Net Inflow/Outflow + Opening Balance = Closing Balance

Opening Balance in first month and total

Closing Balance becomes next month’s Opening Balance

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Mar | Apr | May | June | July | Total |
| Inflows |  |  |  |  |  |  |
| Outflows |  |  |  |  |  |  |
| Net Inflow/Outflow |  |  |  |  |  |  |
| Opening Balance |  |  |  |  |  |  |
| Closing Balance |  |  |  |  |  |  |











