1. Award: **12.00 points** Problems? Adjust credit for all students.

Exercise 22-17 Preparation of cash budgets (for thre

Kayak Co. budgeted the following cash receipts (excluding cash
loan principal and interest payments) for the first three months of

	Cash Receipts	Cash payments
January	$ 521,000	$464,500
February	403,000	346,500
March	458,000	535,000

According to a credit agreement with its bank, Kayak requires a r
agreed that the company can borrow up to $150,000 at a monthly
computed based on the beginning balance of the loan for the mo
the last day of each month. The company has a cash balance of

Prepare monthly cash budgets for January, February, and March.
indicated with minus sign.)

KAYAK COMPANY			
Cash Budget			
For January, February, and March			
	January	February	
Beginning cash balance	$ 40,000	$ 40,000	$
Cash receipts	521,000	403,000	
Total cash available	561,000	443,000	
Cash payments	(464,500)	(346,500)	
Interest expense	(800)	(243)	
Preliminary cash balance	95,700	96,257	
Additional loan (loan repayment)	(55,700)	(24,300)	
Ending cash balance	$ 40,000	$ 71,957	$