*Cash Flow Forecast for Pyramid Promotions Co. Jan to April 2015 ($) Figures in () are negative.*

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| --- | --- | --- | --- | --- |
| ***Cash Inflows*** | ***January*** | ***February*** | ***March*** | ***April*** |
| *Cash Sales* | *15 000* | *15 000* | *20 000* | *25 000* |
| *Payments from Debtors* | *5 000* | *5 000* | *7 000* | *8 000* |
| ***Total Cash Inflows*** | *20 000* | *20 000* | *27 000* | *33 000* |
| ***Cash Outflows*** |  |  |  |  |
| *Materials and wages* | *3 000* | *3 000* | *5 000* | *7 000* |
| *Rent and other expenses* | *15 000* | *15 000* | *25 000* | *15 000* |
| ***Total Cash Outflows*** | *18 000* | *18 000* | *30 000* | ***Z*** |
| ***Opening Bank Balance*** | *3 000* | *5 000* | *7 000* | *4 000* |
| ***New Cash Flow*** | *2 000* | ***X*** | *(3 000)* | *11 000* |
| ***Closing Bank Balance*** | *5 000* | *7 000* | ***Y*** | *15 000* |

1. Calculate values for x, y and z.

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1. Suggest one reason why ‘materials and wages’ are forecast to be so much higher in March and April than in the previous months.

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1. In April, cash sales are now expected to be 10% higher than shown. Material and wages are expected to be 20% higher than forecast. Amend the cash flow forecast for April and calculate the new closing cash balance.

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