
Cash Budget

Question 9

Theory Questions and Answers

Past Exam Questions

1. Outline the two benefits for Smith in preparing a cash budget 2022 – Joan Smith
2. Explain two items of information Shelia can get from the prepared cash budget
2020 - Sheila Shannon
3. Outline two benefits for Manning in preparing a cash budget 2018 – Jack Manning
4. Outline two reasons why Sean Burren would complete a cash budget 2016 – Sean Burren
5. Give two items of information Mary can get from the prepared cash budget
2014 – Mary Harkin
6. Outline two benefits for Mairead in preparing a cash budget 2013 – Mairead Maguire
7. Outline two benefits for Tarpey in preparing a cash budget 2011 – Tarpey
8. Indicate what information Sinead can get from the prepared cash budget
2009 – Sinead Sammon

Suggested Solutions

2022 – Joan Smith

Outline two benefits for Smith in preparing a cash budget.

1. It shows the surplus/ deficit at the end of the month
2. It can help Joan to decide when a bank overdraft is needed
3. It can help Joan to decide how to invest the surplus
4. A cash budget can show the inflows and outflows for a period of time

2020 - Sheila Shannon

Explain two items of information Shelia can get from the prepared cash budget

1. A cash budget will show Shelia all her inflows / outflows of cash during the period
2. She will know whether there is a cash deficit at the end of each month and will be able to organise a bank overdraft from her bank as needed
3. It will show her if there is a cash surplus, and she will be able to decide how to use this surplus. For example investing

2018 – Jack Manning

Outline two benefits for Manning in preparing a cash budget.

Two benefits for Jack Manning in preparing a cash budget

1. It shows the surplus/ deficit at the end of the month
2. It can help Jack to decide when a bank overdraft is needs to be arranged
3. It will help Jack to decide how to invest the surplus
4. A cash budget can show the inflows and outflows for the period

2016 – Sean Burren

Outline two reasons why Sean Burren would complete a cash budget

1. A cash budget will shoe Sean all his inflow and outflows of cash during the period and his cash surplus / deficit at the end of the month
2. It will indicate to him when a bank overdraft may be required

2014 – Mary Harkin

Give two items of information Mary can get from the prepared cash budget

1. The cash budget will show her all inflows / outflows of cash flow during a period
2. It will show her the cash surplus / deficit at the end of each month and will indicate to her when a bank overdraft maybe needed
3. She has a projected closing balance of €87,500
4. Any specific piece of information from the above prepared cash budget

2013 – Mairead Maguire

Outline two benefits for Mairead in preparing a Cash Budget

1. It shows her surplus/ deficit at the end of the month
2. It can help Mairead to decide when a bank overdraft is needs to be arranged
3. It will help Mairead to decide how to invest the surplus
4. A cash budget can show the inflows and outflows for the period
5. It helps Mairead to plan and control her business

2011 – Tarpey

Outline two benefits for Tarpey in preparing a Cash Budget

1. It shows L. Tarpey's monthly surplus/ deficit
2. It can predict overdraft requirements for the period
3. It helps with planning / control of cash

2009 – Sinead Sammon

Indicate what information Sinead can get from the prepared cash budget

1. It will show her cash inflows and outflows for the period
2. She will see what month she has a surplus/ deficit
3. She will see when a bank overdraft is needed