

Chapter 5
**BUDGET ALLOCATION
AND FINANCIAL PLANNING**

Introduction

Budgets provide estimates of expected performance. As such they serve as standard for evaluating performance. Hence, the budget becomes a major planning and control tool. The master budget is a complete blueprint of the planned operations of the firm for a period. It requires recognizing the interrelations among the various units of a firm. In other words, the master budget usually requires the participation of all managerial groups.

Master budgets are almost always static budgets; that is, they consider the likely results of operations at the one level of operations specified in the budget. The master budget also includes a cash flow budgeted, balance sheet budgeted, and other relevant budgets, as well as the profit plan.

Master Budget

After management makes decisions about product to produce, level of output, production techniques, and so forth, then the next step is putting the effort to translate the choices into a formal plan of action, known as the master budget which shows budgeted costs at the projected sales volume. For analyzing the master budget of car fabric production in my study, many information are gotten from not only previous chapter but also interviewing the person who get used to this type of product in order to gain more accuracy about each budget.

Budget, Tool for Planning

In order to define the master budget of the car fabric production, the budget elements should be known before summarizing to financial plan.

These budgets are :

- ◆ Sales Budget
- ◆ Cost of goods sold Budget
- ◆ Factory Budget
- ◆ Selling & Administration Budget
- ◆ Materials Purchase Budget
- ◆ Inventory Budget
- ◆ Cash Budget
- ◆ Profit Budget
- ◆ Balance Sheet Budget

The master budget ties together the financial activities of the firm for the budget period. Hence it can aid both planning and coordination. For example, planning for cash needs requires knowing cash flow to and from operating activities and also knowing cash need for the capital budget.

Accordingly, to perform the financial plan of the car fabric production over the 5 years period, after budgets preparation process, the study presents the comprehensive master budget for this case. First, summarizing into the cash flow budget. Second, relating the cash flow budget into the other budgets, such as the cash expenses budget and the raw material cash budget. Finally, presenting the budgeted balance sheet as of the end of each year.

Budget Allocation

Estimated Sales Income

Previous sales experience in the market of this product type is the starting point for sales budget estimation. After evaluating the historical data to recognize relevant factors of both anticipated changes in general economic conditions and market share of the company, the projected sales volume are determined by analyzing method in Chapter 4. Together with thinking about the firm's place in the market for the sales price value. Therefore, the expected amount of total sales revenue at each year can be calculated from equation that :

Total Sales Revenues = Production Volume; sold them all * Sales Price,
as shown in *Table 5.1*.

Estimated Factory Expenses

The budget in *Table 5.2* shows the amount of factory expenses each year. These estimated values of each items result from manufacturing overhead cost of the selected production capacity which assigned at 750,000 m² per year, as described in *Table 4.5* at Chapter 4.

Estimated Cost of Goods Sold

A manufacturing firm incurs 3 types of costs in changing the physical form of the goods it produced. There are (1) direct material, (2) direct labor, and (3) manufacturing overhead

Direct material and direct labor costs associate with particular products manufactured. As earlier Chapter described in capacity planning section, the outcome of the production cost indicates that direct material and direct labor cost per metre of fabric produced is 157.43 Baht and 16.25 Baht respectively. Manufacturing overhead includes a mixture of costs that provide a firm with a

capacity to produce. This cost is estimated in term of factory expenses budgeted from *Table 5.2*.

Therefore, the total cost of goods sold is estimated by summation of its cost elements and the result is illustrated in *Table 5.3*.

Estimated Selling & Administration Cost

The costs incurred in selling and administrative activities of a car fabric production do not closely associate with units produced or sold. In other words, they are period expenses which consist of staff salary, accommodation consumption at sell stations and office, stationary expense, and the expense in conducting various supportive activities. These expenses are classified and estimated the values as shown in *Table 5.4*.

Estimated Raw Materials Purchases Cost

Plan of materials consumption on the basis of production plan of car fabric production in term of yearly usage coupling with the year end stock level. In this study, total consumption in the yearly consumption of every material items are planned according to the demand volume under assumption that units produced equal to units sold. The car fabric's raw material items is described as following :

Raw Material Items	Purchase Price (Bht.)	Quantity used per/ kg.
<u>Ground Yarn</u>		
T1.5 DBR 20/2	145.50	0.175
T80 RDT 30/2	149.91	0.097
<u>Pile Yarn</u>		
ST TQ (SD) 30/30	227.07	0.458
<u>Others</u>		
Latex SS-2	49.00	0.274

Table 5.5 illustrates total amount of the car fabric's raw materials used in kilograms.

After estimating the quantity used of each, the next step is to perform the quantity and cost of purchasing under assumption that the year end stock level equal 10 % of the beginning.

To calculate the cost of purchasing raw material items of each, the amount of them is estimated from the basic accounting equation :

$$\text{Beginning Balance} + \text{Transfer In} = \text{Transfer Out} + \text{Ending Balance}$$

So,

$$\text{Transfer In} = \text{Transfer Out} + \text{Ending Balance} - \text{Beginning Balance}$$

Expressing the equation in kilograms and relating to its purchasing price, the basic accounting equation becomes :

$$\text{Quantity Purchases} = \text{Quantity Used} + \text{Quantity of Ending Stock} - \text{Quantity of Beginn. Balance}$$

For example; in 1998 –quantity purchases of T1.5 DBR 20/2 equals to

$$\text{Quan. Purchases} = (51,105 + 5,110) - 5,394$$

$$= 56,215 - 5,394$$

$$= 50,822 \text{ kg.}$$

$$\text{Cost of purchasing} = 50,822 \text{ kg. @ } 145.50 \text{ bht./ kg.} = 7,394,529 \text{ bht.}$$

Using this concept to perform the cost of purchasing raw material items of each, as illustrated in the following *Tables 5.5a - 5.5d*. Subsequently, the last step is summation of each items purchasing cost becomes the total costs of purchasing car fabric's raw materials, as illustrated in *Table 5.6*.

Table 5.1 : Estimated Sales Income of Car Fabric Production

Year	Price / sq.m (bht./sq.m)	Sales Volume (sq.m)	Sale Revenues (bht.)
1997	420	308,200	129,444,000
1998	420	292,026	122,650,920
1999	420	372,740	156,550,800
2000	420	518,226	217,654,920
2001	420	705,156	296,165,520

Table 5.2 : Estimated Factory Expenses of Car Fabric Production

Expense Description	Expenses at Max. Capacity	Expense per Year (bht.)				
		1997	1998	1999	2000	2001
Fixed						
Preventive Maintenance	6,451,783					
Depreciation	18,833,567					
Insurance	520,250					
Other Expenses	734,452					
Total Fixed Expenses	26,540,052	26,540,052	26,540,052	26,540,052	26,540,052	26,540,052
Variable						
Electricity	1,080,000					
Water	240,000					
Telephone	360,000					
Gasoline	468,750					
Total Variable Expenses	2,148,750	882,993	836,654	1,067,900	1,484,717	2,020,272
Variable Expense per sq.m	2.865					
Total Factory Expenses		27,423,045	27,376,706	27,607,952	28,024,769	28,560,324

Table 5.3 : Estimated Cost of Goods Sold

Year	Sales Volume (m.)	Cost of Goods Sold (bht.)				Total Cost of Good Sold (bht.)
		Direct Mat cost @ 157.43	Direct Labor cost @ 16.25	Factory Overhead (bht.)		
				Variable @ 2.865	Fixed Cost	
1997	308,200	48,519,926	5,008,250	882,993	26,540,052	80,951,221
1998	292,026	45,973,653	4,745,423	836,654	26,540,052	78,095,782
1999	372,740	58,680,458	6,057,025	1,067,900	26,540,052	92,345,435
2000	518,226	81,584,319	8,421,173	1,484,717	26,540,052	118,030,261
2001	705,156	111,012,709	11,458,785	2,020,272	26,540,052	151,031,818

Table 5.4 : Estimated Selling & Administration Cost

Description	Expenses / year (bht.)
Thai & Japanese Staff Salary	8,952,000
Accomodation Consumption Expenses	576,000
Gasoline Expenses	468,750
Other Expenses	734,452
Miscelleneous	338,400
Total Sell & Admin Expenses per year	11,069,602

Table 5.5 : Estimated Raw Materials Quantity Used in Car Fabric Production

Year	Demand Volume. (m.)	Raw Material Quantity Used (kg.)			
		T1.5 DBR 20/2 @ 0.175 kg/ m.	T80 RDT 30/2 @ 0.097 kg/ m.	ST TQ (SD) 30/30 @ 0.458 kg/ m.	Latex SS-2 @ 0.274 kg/ m.
1997	308,200	53,935	29,895	141,156	84,447
1998	292,026	51,105	28,327	133,748	80,015
1999	372,740	65,230	36,156	170,715	102,131
2000	518,226	90,690	50,268	237,348	141,994
2001	705,156	123,402	68,400	322,961	193,213

Table 5.5a : Estimated T1.5DBR 20/2 Quantity Used in Car Fabric Production

Year	T1.5 DBR 20/2 @ 145.50 Bht./kg.					
	quan.used (kg.)	quan. residual at year end (kg.)	quan. total needed at year begin (kg.)	quan. remain at year begin (kg.)	quan.purchase (kg.)	Total cost of purchasing (Bht.)
1997	53,935	5,394	59,329	0	59,329	8,632,297
1998	51,105	5,110	56,215	5,394	50,822	7,394,529
1999	65,230	6,523	71,752	5,110	66,642	9,696,410
2000	90,690	9,069	99,759	6,523	93,236	13,565,773
2001	123,402	12,340	135,743	9,069	126,674	18,431,005

Table 5.5b : Estimated T80 RDT 30/2 Quantity Used in Car Fabric Production

Year	T80 RDT 30/2 @ 149.91 Bht./kg.					
	quan.used (kg.) (kg.)	quan. residual at year end (kg.)	quan.-total needed at year begin (kg.)	quan. remain at year begin (kg.)	quan.purchase (kg.)	Total cost of purchasing (Bht.)
1997	29,895	2,990	32,885	0	32,885	4,929,781
1998	28,327	2,833	31,159	2,990	28,170	4,222,910
1999	36,156	3,616	39,771	2,833	36,939	5,537,481
2000	50,268	5,027	55,295	3,616	51,679	7,747,219
2001	68,400	6,840	75,240	5,027	70,213	10,525,684

Table 5.5c : Estimated ST TQ (SD) 30/30 Quantity Used in Car Fabric Production

Year	ST TQ (SD) 30/30 @ 227.07 Bht./kg.					
	quan.used (kg.) (kg.)	quan. residual at year end (kg.)	quan. total needed at year begin (kg.)	quan. remain at year begin (kg.)	quan.purchase (kg.)	Total cost of purchasing (Bht.)
1997	141,156	14,116	155,271	0	155,271	35,257,422
1998	133,748	13,375	147,123	14,116	133,007	30,201,931
1999	170,715	17,071	187,786	13,375	174,412	39,603,647
2000	237,348	23,735	261,082	17,071	244,011	55,407,525
2001	322,961	32,296	355,258	23,735	331,523	75,278,892

Table 5.5d : Estimated Latex SS-2 Quantity Used in Car Fabric Production

Year	Latex SS-2 @ 49 Bht./kg.					
	quan.used (kg.) (kg.)	quan. residual at year end (kg.)	quan. total needed at year begin (kg.)	quan. remain at year begin (kg.)	quan.purchase (kg.)	Total cost of purchasing (Bht.)
1997	84,447	8,445	92,891	0	92,891	21,092,868
1998	80,015	8,002	88,017	8,445	79,572	18,068,404
1999	102,131	10,213	112,344	8,002	104,342	23,693,011
2000	141,994	14,199	156,193	10,213	145,980	33,147,733
2001	193,213	19,321	212,534	14,199	198,335	45,035,844

Table 5.6 : Estimated Raw Material Purchases Cost of Car Fabric Production

Year	Total Cost of Purchasing Raw Material (Bht./year)
1997	69,912,369
1998	59,887,774
1999	78,530,550
2000	109,868,251
2001	149,271,424

Estimated Raw Materials Inventory Cost

To calculate the total cost of raw material inventory (at the year end), the amount of them is estimated from the basic accounting equation :

$$\text{Beginning Balance} + \text{Transfer In} = \text{Transfer Out} + \text{Ending Balance}$$

Expressing the equation in units then relating to its cost of purchased and used, the basic accounting becomes :

$$\begin{array}{cccc} \text{Cost of Inventory} & = & \text{Cost of Beginning} & + & \text{Cost of Purchasing} & - & \text{Cost of Raw Mat.} \\ \text{(at year end)} & & \text{Inventory} & & \text{Raw Materials} & & \text{Used in prod.} \end{array}$$

Substitute the Cost of Purchasing with the outcome from *Table 5.6*, the Cost of Raw Materials Used with the cost of Direct Material incurred from *Table 5.3*.

For example; in 1998 –Cost of Inventory (at year end) equals to

$$\begin{array}{rcl} \text{Cost of Inventory} & = & (21,392,443 + 59,887,774) - 45,973,653 \\ \text{(at year end of 1998)} & = & 81,280,217 - 45,973,653 \\ & = & 35,306,564 \text{ bht.} \end{array}$$

Using this concept equation to perform the total cost of raw material inventory at year end of each, the result illustrates in *Table 5.7*.

able 5.7 : Estimated Raw Material Inventory Cost of Car Fabric Production

Year	Balance brought forward last year Inventory (bht.)	Total Cost of Purchasing Raw Material (Bht./year)	Total Cost of Raw-Material at year begin	Total Cost of Raw Material Used	Total Cost of Raw Material Inventory at the year end (bht.)
1997	0	69,912,369	69,912,369	48,519,926	21,392,443
1998	21,392,443	59,887,774	81,280,217	45,973,653	35,306,564
1999	35,306,564	78,530,550	113,837,114	58,680,458	55,156,656
2000	55,156,656	109,868,251	165,024,907	81,584,319	83,440,587
2001	83,440,587	149,271,424	232,712,011	111,012,709	121,699,302

Cash Budgeted

Estimated cash flow is important. No budget is more important for financial planning than the cash budget. This budget helps management plan to avoid unnecessary idle cash balances or unneeded, expensive borrowing. Statement of cash flow reports the net cash flows relating to operating, investing, and financing activities for a period of time. In this study,

Consider cash flow from operations

It provides information about the amount of cash generated by the firm from its sales of car fabric products versus the amount of cash paid to suppliers, employees, and others in carrying out a firm's operating activities.

Table 5.8 presents the estimated cash receivable and collections, the collections for car fabric sales of one year period presumably occur as 85% in the period of sale (cash receivable) and 15% in the next period (account receivable).

Table 5.9 presents the estimated cash paid for raw material purchases. For liquidity of the firm, payments to supplier not paid in full amount in the period of purchase.

Table 5.10 presents the estimated cash paid for labor & general expenses. The amount payments are paid in full at each periods.

Consider cash flow from investment

It reflects the cost of noncurrent assets such as plant, machinery, and acquisitions of entire businesses. In other words, it provides and maintains the car fabric's current operating capacity of production, in term of fixed assets.

Consider cash flow from financing

It provides information about the source of externally generated funds of the firm. It reflects the firm's capital structure in term of loan from bank and shareholders' equity including repayment of debt in term of repay loan.

Estimated Cash Flow Statement

After described the components of statement of cash flows, that means the sources from which additional cash was derived and the applications to which this cash was put, while applications arising from increases or decreases in working capital, such as increases in stocks and debtors, and purchases of fixed assets, such as plant and machinery.

Therefore, to perform the cash flow statement of the car fabric production for the 5 years period, the firm must set up or adjust this type of financial plan to be able to generate cash in sufficient amounts or at the proper times to finance all on going operations. In other words, it must generate more fund (cash inflow) than it spends (cash outflow). Accordingly, the estimated cash flow statement of this study is illustrated in *Table 5.11*.

Table 5.8 : Estimated Cash Receivable and Collections

Year	Sale Revenues	Cash Receivable	Account Receivable	Accumulated Acc. Receivable
1997	129,444,000	110,027,400	19,416,600	19,416,600
1998	122,650,920	104,253,282	18,397,638	37,814,238
1999	156,550,800	133,068,180	23,482,620	61,296,858
2000	217,654,920	185,006,682	32,648,238	93,945,096
2001	296,165,520	251,740,692	44,424,828	138,369,924

Table 5.9 : Estimated Cash Paid for Raw Material Purchases of Car Fabric Production

Year	Balance brought forward last year purchased (bht.)	Cost of Purchasing this year (bht.)	Total Account this year (bht.)	Account Payable in the next period (bht.)	Actual Cash Payable in the purchase period (bht.)
1997	0	69,912,369	69,912,369	29,912,369	40,000,000
1998	29,912,369	59,887,774	89,800,143	39,800,143	50,000,000
1999	39,800,143	78,530,550	118,330,693	48,330,693	70,000,000
2000	48,330,693	109,868,251	158,198,944	68,198,944	90,000,000
2001	68,198,944	149,271,424	217,470,368	97,470,368	120,000,000

Table 5.10 : Estimated Cash Paid for Labor & General Expenses of Car Fabric Production

Year	Labour expense this year (bht.)	Factory Expenses (bht.)	Sell & Admin Expenses (bht.)	Total Expenses (cash + non-cash)	Less (bht.) Depreciation	Total Expenses in Cash (bht.)
1997	5,008,250	27,423,045	11,069,602	43,500,897	18,833,567	24,667,330
1998	4,745,423	27,376,706	11,069,602	43,191,731	18,833,567	24,358,164
1999	6,057,025	27,607,952	11,069,602	44,734,579	18,833,567	25,901,012
2000	8,421,173	28,024,769	11,069,602	47,515,544	18,833,567	28,681,977
2001	11,458,785	28,560,324	11,069,602	51,088,711	18,833,567	32,255,144

Table 5.11 : Estimated Cash Flow Statement of Car Fabric Production

	0	1997	1998	1999	2000	2001
CASH IN						
Begining Cash Balance	0	41,914,334	31,274,404	28,769,522	30,336,690	36,961,395
Loan	200,000,000	0	0	0	0	0
Capital Increase	100,000,000	0	10,000,000	0	0	0
Sale Revenues	0	110,027,400	104,253,282	133,068,180	185,006,682	251,740,692
Total Cash in Flow	300,000,000	151,941,734	145,527,686	161,837,702	215,343,372	288,702,087
CASH OUT						
Fixed Asset	258,085,666	0	0	0	0	0
Expenses : Purchase DM	0	40,000,000	50,000,000	70,000,000	90,000,000	120,000,000
Labour+Gen Exp.	0	24,667,330	24,358,164	25,901,012	28,681,977	32,255,144
Repay Loan	0	20,000,000	10,000,000	5,000,000	30,000,000	70,000,000
Interest on Loan	0	36,000,000	32,400,000	30,600,000	29,700,000	24,300,000
Total Cash out Flow	258,085,666	120,667,330	116,758,164	131,501,012	178,381,977	246,555,144
ENDING BALANCE	41,914,334	31,274,404	28,769,522	30,336,690	36,961,395	42,146,943

Estimated Income statement (Profit Budgeted)

The income statement provides information for assessing the operating profitability of a firm. In this study case, the budget represents the trading accounts which show the cost of goods sold during the period of 5 years, the sales for the same period, and the gross profit. Marketing and distribution costs, and any administrative costs are deducted to determine the company's trading or known as operating profit for the period. To this, investment income is added and 18% interest payable deducted to give the net profit (before taxation) for each during the period of 1997 to 2001, as illustrated in *Table 5.12*.

Balance Sheet Budgeted

Balance sheet is a statement on the last day of the accounting period. It reflects the effects of a firm's investing and financing decisions. The balance sheet comprises three major classes of items -assets, liabilities, and shareholders' equity.

Assets or resources of the company, e.g. fixed assets such as buildings, plant and machinery, vehicles, etc., and current assets such as stocks, debtors, cash, etc.

Liabilities or obligations of the company, e.g. long-term liabilities such as debentures and future taxation, and current liabilities such as creditors, current taxation, proposed dividends, etc.

Shareholders' equity or share capital and reserves in the company, e.g. ordinary share capital, preference share capital (if any), capital reserves, and revenue reserves.

Estimated Balance Sheet Statement

In general, firms attempt to balance the term structure of their financing with the term structure of their investments (that is, short-term financing for current assets and long-term financing for noncurrent assets.) Accordingly, the balance sheet is very important budget in presenting a firm's assets balance with, or equal, the financing of those assets by creditors and owners.

It follows the equation that :

$$\text{Assets} = \text{Liabilities} + \text{Shareholders' Equity}$$

This equation shows that any changes in one of these items must result in an equal change in one of the others.

Table 5.13 presents the budgeted balance sheet for car fabric company, the study case, at the beginning of year 1997.

The assets portion of this balance sheet reports as of a starting point the effects of all of a firm's investment decision. In this case, TFU has invested in both fixed assets and current assets; the fixed assets such as land, building, machinery, etc. -value of each resulting from *Table 4.5*, the manufacturing overhead cost. While the cash as current assets, the value is the outcome of the estimated cash flow statement at beginning cash balance as of year 1997, from *Table 5.11*. The liabilities portion reports in term of long-term debt or loan from bank equal to 200,000,000 Baht. The shareholders' equity portion reports in term of share capital equal to 100,000,000 Baht.

Regarding the analytical budgets from previous description, apply the out of them on establishing the estimated balance sheet statement and doing in the same manner at each period.

Subsequently, to build up the balance sheet budgeted -the values coming from :

(I) Assets

- ◆ **Cash** ; see *Table 5.11* -Beginning Cash Balance
- ◆ **Account Receivable** ; see *Table 5.8*
- ◆ **Inventory (Raw Material)** ; see *Table 5.7*

(Due to assumption that units produced equal units sold, so, work in process and finish goods inventory is none.)

- ◆ **Fixed Assets, Depreciation** ; see *Table 4.5*

(II) Liabilities

- ◆ **Account Payable** ; see *Table 5.9*
- ◆ **Longterm loan** ; see *Table 5.11* (total loan – accum. repay loan)

(III) Shareholders' Equity

- ◆ **Share Capital** ; see *Table 5.11* (accumulated Capital Increased)
- ◆ **Profit / (Loss)** ; see *Table 5.12* (accumulated Net Profit)

(Due to assumption that the profit available for appropriation to account at all.)

Therefore, at the end of operating cycle of the firm, usually 1 year, the balance sheet budgeted at the end of period from 1997 to 2001 are illustrated in the following Tables 5.14 - 5.18.

Table 5.12 : Estimated Income Statement (Profit Budgeted)

	1997	1998	1999	2000	2001
Sale Revenues	129,444,000	122,650,920	156,550,800	217,654,920	296,165,520
Cost of Goods Sold	80,951,221	78,095,782	92,345,435	118,030,261	151,031,818
Gross Profit	48,492,779	44,555,138	64,205,365	99,624,659	145,133,702
Expenses :					
- Sell & Admin	11,069,602	11,069,602	11,069,602	11,069,602	11,069,602
- Interest 18%	36,000,000	32,400,000	30,600,000	29,700,000	24,300,000
Total Expenses	47,069,602	43,469,602	41,669,602	40,769,602	35,369,602
Net Profit	1,423,177	1,085,536	22,535,763	58,855,057	109,764,100
Accumulated Net Profit	1,423,177	2,508,713	25,044,476	83,899,532	193,663,632

Remark : Sales Revenues value ; from Table 5.1
Cost of Good Sold ; from Table 5.3
Selling & Admin. Expenses ; from Table 5.4
Interest Expenses 18 % ; from Table 5.11

Table 5.13 : Budgeted Balance Sheet of Car Fabric Production, as of beginning of year 1997

AT THE BEGINNING OF YEAR 1997

Current Asset			Liabilities	
Cash		41,914,334	Account Payable	0
Account Receivable		0	Other Expenses	0
Inventory			Long Term Loan	200,000,000
Raw Material		0		
Work in Process		0		
Finish Goods		0		
Fixed Asset			Shareholder	
Land		25,000,000	Share Capital	100,000,000
	<i>Depreciation :</i>			
Building	0	93,000,000	Profit / (Loss)	0
Machinery & Equipment	0	129,035,666		
Electrical & Water System	0	9,300,000		
Vehicles	0	1,750,000		
TOTAL ASSET		300,000,000	TOTAL LIABILITIES & SHAREHOLDER	300,000,000

Table 5.14 : Budgeted Balance Sheet of Car Fabric Production, as the end of year 1997

AT THE YEAR END OF 1997

Current Asset			Liabilities	
Cash		31,274,404	Account Payable	29,912,369
Account Receivable		19,416,600	Other Expenses	0
Inventory			Long Term Loan	180,000,000
Raw Material		21,392,443		
Work in Process		0		
Finish Goods		0		
Fixed Asset			Shareholder	
Land		25,000,000	Share Capital	100,000,000
	<i>Depreciation :</i>			
Building	4,650,000	88,350,000	Profit / (Loss)	1,423,177
Machinery & Equipment	12,903,567	116,132,099		
Electrical & Water System	930,000	8,370,000		
Vehicles	350,000	1,400,000		
TOTAL ASSET		311,335,546	TOTAL LIABILITIES & SHAREHOLDER	311,335,546

Table 5.15 : Budgeted Balance Sheet of Car Fabric Production, as the end of year 1998

AT THE YEAR END OF 1998

Current Asset			Liabilities	
Cash		28,769,522	Account Payable	39,800,143
Account Receivable		37,814,238	Other Expenses	0
Inventory			Long Term Loan	170,000,000
Raw Material		35,306,564		
Work in Process		0		
Finish Goods		0		
Fixed Asset			Shareholder	
Land		25,000,000	Share Capital	110,000,000
	<i>Depreciation :</i>		Profit / (Loss)	2,508,713
Building	9,300,000	83,700,000		
Machinery & Equipment	25,807,134	103,228,532		
Electrical & Water System	1,860,000	7,440,000		
Vehicles	700,000	1,050,000		
TOTAL ASSET		322,308,856	TOTAL LIABILITIES & SHAREHOLDER	322,308,856

Table 5.16 : Budgeted Balance Sheet of Car Fabric Production, as the end of year 1999

AT THE YEAR END OF 1999

Current Asset			Liabilities	
Cash		30,336,690	Account Payable	48,330,693
Account Receivable		61,296,858	Other Expenses	0
Inventory			Long Term Loan	165,000,000
Raw Material		55,156,656		
Work in Process		0		
Finish Goods		0		
Fixed Asset			Shareholder	
Land		25,000,000	Share Capital	110,000,000
	<i>Depreciation :</i>		Profit / (Loss)	25,044,476
Building	13,950,000	79,050,000		
Machinery & Equipment	38,710,701	90,324,965		
Electrical & Water System	2,790,000	6,510,000		
Vehicles	1,050,000	700,000		
TOTAL ASSET		348,375,169	TOTAL LIABILITIES & SHAREHOLDER	348,375,169

Table 5.17 : Budgeted Balance Sheet of Car Fabric Production, as the end of year 2000

AT THE YEAR END OF 2000

Current Asset			Liabilities	
Cash		36,961,395	Account Payable	68,198,944
Account Receivable		93,945,096	Other Expenses	0
Inventory			Long Term Loan	135,000,000
Raw Material		83,440,587		
Work in Process		0		
Finish Goods		0		
Fixed Asset			Shareholder	
Land		25,000,000	Share Capital	110,000,000
	<i>Depreciation :</i>		Profit / (Loss)	83,899,532
Building	18,600,000	74,400,000		
Machinery & Equipment	51,614,268	77,421,398		
Electrical & Water System	3,720,000	5,580,000		
Vehicles	1,400,000	350,000		
TOTAL ASSET		397,098,476	TOTAL LIABILITIES & SHAREHOLDER	397,098,476

Table 5.18 : Budgeted Balance Sheet of Car Fabric Production, as the end of year 2001

AT THE YEAR END OF 2001

Current Asset			Liabilities	
Cash		42,146,943	Account Payable	97,470,368
Account Receivable		138,369,924	Other Expenses	0
Inventory			Long Term Loan	65,000,000
Raw Material		121,699,302		
Work in Process		0		
Finish Goods		0		
Fixed Asset			Shareholder	
Land		25,000,000	Share Capital	110,000,000
	<i>Depreciation :</i>		Profit / (Loss)	193,663,632
Building	23,250,000	69,750,000		
Machinery & Equipment	64,517,835	64,517,831		
Electrical & Water System	4,650,000	4,650,000		
Vehicles	1,750,000	0		
TOTAL ASSET		466,134,000	TOTAL LIABILITIES & SHAREHOLDER	466,134,000