**Instructions:** For this Assignment, estimate a Profit & Loss Statement for **Scenario A OR Scenario B** as seen below.

Once you view the Unit 10 Assignment Spreadsheet, you will see where to enter the monthly totals. Review your spreadsheet totals and answer the following questions: Does the firm need to borrow money at the end of the year to meet expenses? Explain why or why not? If the firm does need to borrow money, how much would you recommend and from what source(s)? Make sure to provide a detailed explanation in which you take into account all aspects of the profit and loss spreadsheet.

**Scenario A: Unit 10 Assignment Assumption**

* Assume monthly gross sales are $280,000 October, $290,000 November, and $345,000 December.
* Assume Inventory purchases are $70,000 October, $75,000 November, and $95,000 December.
* Assume the owner gets a cash disbursement of $45,000 in October, $51,000 in November, and $52,000 in December.
* Assume wages and salaries are 48% of gross monthly sales.
* Assume rent is $9,500 a month.
* Assume utilities are 5% of gross monthly sales.
* Assume a tax prepayment of $16,000 in October.
* Assume bank interest on the note is $1,500/month.

**Scenario B: Unit 10 Assignment Assumption**

* Assume monthly gross sales are $275,000 October, $310,000 November, and $325,000 December.
* Assume Inventory purchases are $60,000 October, $75,000 November, and $85,000 December.
* Assume the owner gets a cash disbursement of $30,000 in October, $35,000 in November, and $40,000 in December.
* Assume wages and salaries are 50% of gross monthly sales.
* Assume rent is $10,000 a month.
* Assume utilities are 10% of gross monthly sales.
* Assume a tax prepayment of $12,000 in October.
* Assume bank interest on the note is $2,500/month.