**Problem 2:** Trapp Co. was organized on August 1 of the current year.  Projected sales for the next three months are as follows:

|  |  |
| --- | --- |
| August | $100,000 |
| September | 185,000 |
| October | 225,000 |

The company expects to sell 40% of its merchandise for cash.  Of the sales on account, one third are expected to be collected in the month of the sale and the remainder in the following month.

Questions:

1. What is the total expected cash collections for August? (5 points)

2. What is the total expected cash collections for September? (5 points)

3. What is the total expected cash collections for October? (5 points)