**26-5:** Using Excel: The Litzenberger Company has projected the following quarterly sales amounts for the coming year:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Q1 | Q2 | Q3 | Q4 |
| Sales | $700 | $630 | $810 | $930 |

a. Accounts receivable at the beginning of the year are $275. Litzenberger has a 45-day collection period. Calculate cash collections in each of the four quarters by completing the following:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Q1 | Q2 | Q3 | Q4 |
| Beginning receivables |  |  |  |  |
| Sales |  |  |  |  |
| Cash collections |  |  |  |  |
| Ending receivables |  |  |  |  |

b. Rework (a) assuming a collection period of 60 days.

c. Rework (a) assuming a collection period of 30 days.

**26-8**:Using Excel: The Thakor Corporation's purchases from suppliers in a quarter are equal to 75% of the next quarter's forecast sales. The payables period is 60 days. Wages, taxes, and other expenses are 20% of sales, and interest and dividends are $73 per quarter. No capital expenditures are planned.

Here are the projected quarterly sales:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Q1 | Q2 | Q3 | Q4 |
| Sales | $830 | $1,050 | $970 | $860 |

Sales for the first quarter of the following year are projected at $970. Calculate the company's cash outlays by completing the following:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Q1 | Q2 | Q3 | Q4 |
| Payment of accounts |  |  |  |  |
| Wages, taxes and other expenses |  |  |  |  |
| Long-term financing expenses(interest and dividends) |  |  |  |  |
| Total |  |  |  |  |