**Sales, Production, Purchases, and Cash Budgets**

Rolen Inc. is in the process of preparing the fourth quarter budget for 2010, and the following data have been assembled:  
  
The company sells a single product at a price of $25.00 per unit. The estimated sales volume for the next six months is as follows:  
  
September 13,000 units  
October 12,000 units  
November 14,000 units  
December 20,000 units  
January 9,000 units  
February 10,000 units  
  
  
All sales are on account. The company’s collection experience has been that 30 % of a month’s sales are collected in the month of sale, 68% are collected in the month following the sale, and 2% are uncollectible. It is expected that the net realizable value of accounts receivable (i.e., accounts receivable less allowance for uncollectible accounts) will be $211,000 on September 30, 2010.  
  
Management’s policy is to maintain ending finished goods inventory each month at a level equal to 30% of the next month’s budgeted sales. The finished goods inventory on September 30, 2010, is expected to be 3,600 units.  
  
To make one unit of finished product, 5 pounds of materials are required. Management’s policy is to have enough materials on hand at the end of each month to equal 40% of the next month’s estimated usage. The raw materials inventory is expected to be 25,200 pounds on September 30, 2010.

The cost per pound of raw material is $2 and 70% of all purchases are paid for in the month of purchase; the remainder is paid in the following month. The accounts payable for raw material purchases is expected to be $37,980 on September 30th, 2010.  
  
Required:  
A) Prepare a sales budget in units and dollars, by month and in total, for the fourth quarter (October, November, and December) of 2010.  
  
B) Prepare a schedule of cash collections from sales, by month and in total, for the fourth quarter of 2010.  
  
C) Prepare a production budget in units, by month and in total, for the fourth quarter of 2010.  
  
D) Prepare a materials purchases budget in pounds, by month and in total, for the fourth quarter of 2010.  
  
E) Prepare a schedule of cash payments for materials by month and in total, for the fourth quarter of 2010.