Jackson Sales Company

Selling and Administrative Expenses Budget

For the Quarter Ended June 30, 2005

Apr May Jun Total

Salaries $1,000 $1,200 $1,300 $3,500

Rent 200 200 200 600

Utilities 120 180 220 520

Depreciation 80 80 80 240

Other 500 600 650 1,750

Total $1,900 $2,260 $2,450 $6,610

Jackson Sales Company

Purchase Budget

For the Quarter Ended June 30, 2005

Apr May Jun Total

Forecasted Unit Sales 70 80 90 240

+ Desired Ending Inventory 16 18 19 19

= Total Units Needed 86 98 109 259

-Beginning Inventory (15) (16) (18) (15)

= Units to Be Purchased 71 82 91 244

x Cost per Unit $100 $100 $100 $100

= Cost of Purchase $7,100 $8,200 $9,100 $24,400

Selling and administrative expenses are paid in the month incurred and purchases are paid in the month following the purchase. Purchases for March 2005 are $6,800. No equipment purchases or additional expenditures are made during the quarter.

Required: Prepare a cash payment schedule for the second quarter of 2005.

Reference

Werner, M. L. & Jones, K. H. (2004). Introduction to Accounting A User Perspective. 2nd Upper Saddle River, NJ: Pearson Education Inc.