Problem 9-48

The Philips Company is preparing a cash receipts schedule for the first quarter of 2005. Sales for November and December 2004 are expected to be $33,000 and $55,000, respectively. Budgeted sales for the first quarter of 2005 are presented here.

The Philips Company

Sales Budget

For Quarter Ended March 31, 2005

 Jan Feb Mar Total

Budgeted Sales $20,000 $30,000 $45,000 $95,000

Fifteen percent of sales are for cash, the remaining 85 percent are on account. Twenty percent of the sales on account are collected in the month of the sale, 50 percent in the month following the sale, and the remaining 30 percent in the second month following the sale. There are no uncollectible accounts receivable.

Required: Prepare a cash receipts schedule for the first quarter of 2005.