Answer on Question #82322 - Economics - Accounting

Question: Build the projected revenue budget for the six months ending in December.
Apollo cash receipts
1.5.20xx – 30.9.20xx
May June July Aug. Sept. Oct. Nov. Dec.
3,000 5,000 7,000 5,000 5,000 4,500 3,000 3,000

Note:
Cash receipts are shown. Credit revenues are twice that of cash each month. Credits sales were $3,000 in March and $5,000 in April. Credit terms are 50% by end of the month; 35% by end of the next month balance by end of third month.

	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Cash	3,000	5,000	7,000	5,000	5,000	4,500	3,000	3,000
Total Credit	6,000	10,000	14,000	10,000	10,000	9,000	6,000	6,000

Cr rcvd. 90 days
Cr rcvd. 60 days
Cr rcvd. 30 days
Total $

Solution

	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Cash sales	3,000	5,000	7,000	5,000	5,000	4,500	3,000	3,000
Credit sales	6,000	10,000	14,000	10,000	10,000	9,000	6,000	6,000
Cr rcvd. 30 days (50%)	3,000	5,000	7,000	5,000	5,000	4,500	3,000	3,000
Cr rcvd. 60 days (35%)	1,750	2,100	3,500	4,900	3,500	3,500	3,150	2,100
Cr rcvd. 90 days (15%)	450	750	900	1,500	2,100	1,500	1,500	1,350
Credit sales collected	5,200	7,850	11,400	11,400	10,600	9,500	7,650	6,450
Total revenue	**8,200**	**12,850**	**18,400**	**16,400**	**15,600**	**14,000**	**10,650**	**9,450**

March credit sales collected in March: $3,000×50%=$1,500

March credit sales collected in April: $3,000×35%=$1,050

March credit sales collected in May: $3,000×15%=$450

April credit sales collected in April: $5,000×50%=$2,500

April credit sales collected in May: $5,000×35%=$1,750

April credit sales collected in June: $5,000×15%=$750