

		<u>Accounts receivable</u>	
a.	Accounts receivable at 1/1/04	725,000	
	2004 sales	8,560,000	
	Accounts written off		35,600
	Less cash collections PLUG		8,436,900
	Equals accounts receivable at 12/31/04	812,500	

b.	Age of	Amount of	Uncollectible	
	Receivable	Receivable	%	Uncollectible \$
	0-30 days	560,000	3%	16,800
	31-60 days	200,000	8%	16,000
	61-90 days	30,000	15%	4,500
	91-120 days	21,500	40%	8,600
	more than 120 days	1,000	60%	600
				46,500

		<u>Allowance for doubtful accounts</u>	
	Allowance for doubtful accounts on 1/1/04		39,500
	Accounts written off	35,600	
	Bad debt expense for 2004 PLUG		42,600
	Required ending balance per aging		46,500
		<i>dr.</i>	<i>cr.</i>
c.	Bad debt expense	42,600	
	Allowance for doubtful accounts		42,600
d.	Accounts receivable	812,500	
	Less allowance for doubtful accounts	(46,500)	
	Net accounts receivable at 12/31/04	766,000	
e.	Sales	8,560,000	
	% estimated uncollectible	0.50%	
	Bad debt expense	42,800	

		<u>Allowance for doubtful accounts</u>	
f.	Allowance for doubtful accounts on 1/1/04		39,500
	Accounts written off	35,600	
	Bad debt expense for 2004		42,800
	Allowance for doubtful accounts on 12/31/04		46,700
	Accounts receivable	812,500	
	Less allowance for doubtful accounts	(46,700)	
	Net accounts receivable at 12/31/04	765,800	