

Crystal Telecom has budgeted the sales of its innovative mobile phone over the next four months as follows:

	Sales in Units
July	30,000
August	42,000
September	55,000
October	51,000

The company is now in the process of preparing a production budget for the third quarter. Past experience has shown that end-of-month finished goods inventories must equal 5% of the next month's sales. The inventory at the end of June was 1,500 units.

Required:

Prepare a production budget for the third quarter showing the number of units to be produced each month and for the quarter in total. (Do not round intermediate calculations.)

Crystal Telecom				
Production Budget				
	July	August	September	Quarter
Budgeted sales in units	30,000	42,000	55,000	
Total needs	30,000	42,000	55,000	0
Required production in units	30,000	42,000	55,000	0