

Activity 2.7

Directions: Use the formulas provided to complete the tables below.

Accounts Receivable Turnover = Net Credit Sales / Average Accounts Receivable

Days Sales Outstanding = (Average Accounts Receivable / Net Credit Sales) X # of Days

Percentage of Bad Debts = Uncollected Debt / Net Credit Sales

The Murray Corporation

	2012	2011
Net Credit Sales	\$557,000	\$562,000
Average Accounts Receivable	\$42,000	\$49,000
Uncollected Debt	\$5,600	\$6,200
Accounts Receivable Turnover		
Days Sales Outstanding		
Percentage of Bad Debts		

Comet Cleaning

	2012	2011
Net Credit Sales	\$35,000	\$42,000
Average Accounts Receivable	\$9,000	\$10,000
Uncollected Debt	\$2,500	\$2,000
Accounts Receivable Turnover		
Days Sales Outstanding		
Percentage of Bad Debts		

Tortuga Tours

	2012	2011
Net Credit Sales	\$152,000	\$132,000
Average Accounts Receivable	\$5,000	\$6,000
Uncollected Debt	\$1,500	\$2,000
Accounts Receivable Turnover		
Days Sales Outstanding		
Percentage of Bad Debts		

