4) Katy Co. has the following budgeted unit sales for the next six-month period:

Month	July	Aug.	Sept.	Oct.	Nov.	Dec.
Unit Sales	500	480	530	550	580	500

Finished goods in inventory on December 1 (in units)	150 units
Required ending inventory as % of the next month's sales	20%
Materials required for each unit produced (in lbs)	10 lbs
Material Costs per pound	$10.00
Inventory levels for materials as % of the next month's needs	30%
Materials inventory on December 1 (in lbs)	1,000 lbs

(Required)

a) Prepare production budgets in units for September, October, and November. (13 pts)

b) Prepare a purchases budget in both pounds and dollars for September, October. (12 pts)