To estimate the write-off we can consider the percentage of the debts that were written off during the period and use them to measure the average of the write off.

To do so, let us construct the following table to observe the trends in the write – offs to guess the general pattern:

|  |  |  |  |
| --- | --- | --- | --- |
| Year | Accounts Receivable | Debts Written Off | % of accounts receivable written off as uncollectible |
| 2011 | 216,000 | 8,000 | 3.70 |
| 2012 | 170,000 | 7,572 | 4.45 |
| 2013 | 195,000 | 7,000 | 3.59 |
| 2014 | 230,000 | 10,300 | 4.47 |
| 2015 | 275,000 | 13,000 | 4.73 |
| 2016 | 240,000 | 9,820 | 4.10 |
| Total of all these years | 1,326,000 | 55,692 | 4.20 |

Thus, we expect the average debt to be almost 4.2% from the table above. This means that since the accounts receivable would experience debts given by

So, we get

Hence done.