Introductory M/40XB to Replace M/40X in 1964, ...
Selling Prices and Operating Earnings based on Full Cost ...

Present Price	40X-S2	40X-S1	40XH-2	40XH-1
Retail Selling Price	$139.75	$170.35	$139.75	$170.35
Net Selling Price	$87.90	$107.00	$87.90	$107.00
Annual Volume	80	110	200	110
Cost of Goods	$87.40	$111.16	$87.14	$110.87
Operating Earnings	$.50	($4.16)	$.76	($3.87)
% of Net Selling	.6%	(3.9%)	.9%	(3.6%)

Proposed Price	40XB-S2	40XB S-1	40XB H-2	40XB H-1
Retail Selling Price	$155.00	$185.60	$155.00	$185.60
Net Selling Price	$97.50	$116.56	$97.50	$116.56
Annual Volume	80	110	200	110
Cost of Goods	$92.71	$116.47	$92.45	$116.18
Operating Earnings	$4.79	$.09	$5.05	$.38
% of Net Selling	4.9%	.01%	5.2%	.03%

Estimated Earnings Based on Cum. Cost

	40X	40XB	Difference
Annual Volume 1964	500	500	0
Net Sales	$48200	$52900	$4700
Cost of Sales	$31000	$32500	$1500
Operating Earnings	$17200	$20400	$3200
Net Earnings		—	$1400

[illegible]

Working Capital $1200

Total Capital Required $1200

% Return on Total Capital Required 117%

Operations [illegible]

[illegible] $1200

[illegible]

[illegible]

[illegible] 5 mo.

[illegible]

[illegible]

	Old Bl.			Heavy Std.		
Present	S2	S1		K2	K1	
Net Billing	87.70	107.00		87.70	107.00	
Less Net Std.	54.60	71.35		54.60	71.14	
Gross Earnings	33.10	35.65		33.30	35.26	
Volume	80	110		200	110	
Total Incremental Earnings	#2648	#3922		#6660	#3945	#17175
Proposed						
Net Bill	97.50	116.56		97.50	116.56	
Less Net Std.	57.66	74.44		57.46	74.23	
Gross Earnings	39.84	42.12		40.04	42.33	
Volume	80	110		200	110	
Total Incremental Earnings	#3187	#4633		#8008	#4656	#20484

~~Present Cost~~

Present Net Sales		Present Cost of Sales		
87.70 x 80 =	7032	54.60 x 80 =	4384	
107.00 x 110 =	11770	71.35 x 110 =	7849	
87.70 x 200 =	17580	54.60 x 200 =	10920	
107.00 x 110 =	11770	71.14 x 110 =	7825	
Total	#48152		#30978	#17174

Prop. Net Sales		Prop. Cost of Sales		
97.50 x 80 =	7800	57.66 x 80 =	4613	
116.56 x 110 =	12822	74.44 x 110 =	8188	
97.50 x 200 =	19500	57.46 x 200 =	11492	
116.56 x 110 =	12822	74.23 x 110 =	8165	
Total	#52944		#32458	20486

	1955	1956	57	58	59	60	61	62	
K1	280	198	171	100	126	88	21 83	26 88	19
K2	204	224	87	145	155	140	17 108	24 208	4
S1	73	78	50	2	52	66	18 69	21 131	21
S2	77	168	57	90	95	82	22 62	19 33	7
	734	668	365	337	428	376	322	460	

405 B
Pingrade East Proposed Prices.

Cash Cost.	57.66	74.44	57.46	74.23
Mill Factory	79.55	100.73	79.29	100.44
S+A+Res.	13.16	15.74	13.16	15.74
Comm Cost.	92.71	116.47	92.45	116.18

Working Capital

30978 × 79% = $24500. 32458 × 79% = 25700

24500

$1200

Present Line

	Std Bbl.		Heavy Bbl.	
	52 W/O Lights	52-1 With Lights	H2 W/O Lights	H1 With Lights
Retail	129.75	170.85	129.35	170.35
Net Billing	87.90	107.00	87.90	107.00
Cash Cost Est	54.80	71.35	54.60	71.14
Full Factory Cost	75.53	96.71	75.27	96.42
S+A+Res.	11.87	14.45	11.87	14.45
Common Cost	87.40	111.16	87.14	110.87

Proposed Line w/ [illegible] vo82

	Std Bbl.		Heavy Bbl.	
Retail	129.35	170.35	129.35	170.35
Net Billing	77.90	107.00	77.90	107.00
Cash Cost	57.86	74.44	57.46	74.23
Full Factory Cost	79.55	100.72	79.29	100.44
S+A+Res.	11.87	14.45	11.87	14.45
Common Cost	91.42	115.16	91.16	114.89