E: 37 79

ESTIMATED SAVINGS & RETURN ON INVESTMENT

P-100- 7MM BR. REM STOCK ASSEM - PROPOSAL TO ALTER MOLDS FOR STOCK HALVES, FOREEND TIPS AN F.E. SPACERS TO ELIMINATE A MILLING AND DEBURR OPERATION PRESENTLY PERFORMED ON STOCK ASSEMBLY

ENGINEER: A.E. DESMOND

DATE: 4-25-80

	PRESENT ENLARGE BBL GROOVE ON STOCK ASSEM. BY MILLING & DEBURR ALLOW BBL TO FIT.		PROPOSED ALTER MOLDS ELIMINATING MILLING & DEBURR		
Forecast Year	1981				
Quantity Forecast	6335				
OPERATING COSTS					
Purchased Parts	$		$	$	$
Raw Material					
Standard Labor	9610		8220	1390	
Labor Variance @					
Industrial Relations @ 47.9%	4600		3940	660	
Supplies	150		110	40	
Tool Replacement	2340		110	2230	
Cutter Grind	2550		10	2540	
Tool Maintenance	690		650	40	
Maintenance	1270		120	1150	
Energy					
Equipment Depreciation @					
Sub Totals	$ 21,210	A	$ 13,160	$	A $
Gross Savings Before Admin. Exp.			$ 8,050		$
Admin. Exp. @ 4.3% Gross Savings		B	$ 350		B $
Sub Totals	$ 21,210	A+B	$ 13,510	$	A+B $
SAVINGS IN OPERATING COST			$ 7700		$
Less: Income Tax @ 48.5 %			($ 3730)		($
Plus: Amortization of Investment Tax Credit			$ —		$
NET SAVINGS			$ 3970		$
INVESTMENT					
Project Expenditures			$ —		$
Manufacturing & Working Facilities			$		$
Net Change in Working Capital			($ 1910)		$
Total Capital Required for this Project			($ 1910)		$
RETURN ON INVESTMENT - THIS PROJECT			%		
Net Savings - After Amortization of Operation Charges			$ 3370		$
Project Operation Charges			$ 16,310		$
Less: Administration Expense @ 4.3 % & Income Taxes @ 48.5 % (Factor .5072)			($ 8,270)		($
Total Capital Required Including Research & Development & Other Charges			$ 6,130		$
RETURN ON TOTAL CAPITAL REQUIRED			55. %		
Equipment to be Released					
Increased Space Requirements (Decrease)					
Production Capacity					

CONFIDENTIAL-SUBJECT TO PROTECTIVE ORDER
KINZER V. REMINGTON