

AT 3-26-79

ESTIMATED SAVINGS & RETURN ON INVESTMENT

XP-100 Barrel - Finish Turn in R&D on N/C Lathe Vs Dept 73 New Britain Lat

ENGINEER: Q.B.K

DATE: 10/16/80

Forecast Year
Quantity Forecast

Present
Dept 98
Finish
Turn
1981
6150

Proposed
Dept 73
Finish
Turn

OPERATING COSTS

	\$	\$	\$	\$
Purchased Parts				
Raw Material				
Standard Labor	5010	500		
Labor Variances @	500	130		
Industrial Relations @	2640	300		
Supplies				
Tool Replacement				
Cutter Grind				
Tool Maintenance				
Maintenance	460	20		
Energy				
Equipment Depreciation @				

Sub Totals	\$ 8610	A	\$ 1000	\$	A	\$
Gross Savings Before Admin. Exp.			\$ 7610			\$
Admin. Exp. @4.3% Gross Savings		B	\$ 330		B	\$
Sub Totals	\$ 8610	A+B	\$ 1330	\$	A+B	\$

CHANGES IN OPERATING COST

	\$ 7280	\$
Less: Income Tax @48.5 %	(\$ 3530)	(\$
Plus: Amortization of Investment Tax Credit	\$ -0-	\$
NET SAVINGS	\$ 3750	\$

INVESTMENT

Project Expenditures	\$ -0-	\$
Manufacturing & Working Facilities	\$ -0-	\$
Net Change in Working Capital	\$ (2390)	\$
Total Capital Required for this Project	\$ (2390)	\$

RETURN ON INVESTMENT - THIS PROJECT

	Infinite %	
Net Savings - After Amortization of Operation Charges	\$ 3990	\$
Project Operation Charges	\$ 3800	\$
Less: Administration Expense @4.3 % & Income Taxes @48.5 % (Factor .5072)	(\$ 1,930)	(\$
Total Capital Required Including Research & Development & Other Charges	\$ (520)	\$

RETURN ON TOTAL CAPITAL REQUIRED

	Infinite %	
Equipment to be Released		
Increased Space Requirements (Decrease)		
Production Capacity		
Forecast Burdening	31	