ESTIMATED SAVINGS & RETURN ON INVESTMENT

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Revised W/TDB Trigger
Housing Assembly

	Present	Proposed		
Forecast Year	8-1-1981			
Quantity Forecast	35,850			
OPERATING COSTS				
Purchased Parts	$ 9 600	$ 14 700	$	$
Raw Material	–	–		
Standard Labor	7 530	5 740		
Labor Variance 3	4 460	3 550		
Industrial Relations 3	5 740	4 300		
Supplies				
Tool Replacement				
Cutter Grind				
Tool Maintenance — Direct Expense	10 400	7 800		
Maintenance				
Scrap				
Equipment Depreciation 3				
Sub Totals	$ 36 930	$ 36 210	$	$
Gross Savings Before Admin. Exp.		$ 720		$
Admin. Exp. @4.3% Gross Savings		$ 30		$
Sub Totals	$ 36,930	$ 36 240	$	$
SAVINGS IN OPERATING COST		$ 690		$
Less: Income Tax @48.5 %		($ 330)		($
Plus: Amortization of Investment Tax Credit		$ –		$
NET SAVINGS		$ 360		$
INVESTMENT				
Project Expenditures		$ –		$
Manufacturing & Mortgage Facilities		$ –		$
Net Change in Working Capital		$ 1 310		$
Total Capital Required for this Project		$ 1 310		$
RETURN ON INVESTMENT – THIS PROJECT		27.5 %		
Net Savings – After Amortization of Operating Charges		$ (320)		$
Project Operating Charges		$ 19 000		$
Less: Administration Expense @4.3 % & Income Taxes @48.5 % (Factor .5072)		($ 9,130)		($
Total Capital Required Including Research & Development & Other Charges		$ 10,190		$
RETURN ON TOTAL CAPITAL REQUIRED		Negative %		

Equipment to be Released
Increased Space Requirements (Decrease)
Production Capacity
Forecast Business