

<u>Cost Basis</u>	<u>Proposed Revenue</u>	<u>Proposed Cost</u>
Sales (\$)	\$10,948,000	
Material		\$6,890,799
Direct Labor		\$267,653
Var O'head		\$578,542
Fixed Cost		\$578,542
Scrap		\$41,578
Marketing Cost		\$645,932
Depreciation		\$614,750
Interest Exp		\$174,948
Total	\$10,948,000	\$9,792,744
Annual Savings		
Earnings or (Loss)		\$1,330,204
Project Expenditures		
Capital		\$2,468,250
Operations		\$1,030,700
Total		\$3,498,950
ROIC		38.02%
Payback		2.6

<u>Cost Basis</u>	<u>Proposed Revenue</u>	<u>Proposed Cost</u>
Sales (\$)	\$10,948,000	
Material		\$6,113,817
Direct Labor		\$267,653
Var O'head		\$578,542
Fixed Cost		\$578,542
Scrap		\$37,693
Marketing Cost		\$645,932
Depreciation		\$697,857
Interest Exp		\$177,459
Total	\$10,948,000	\$9,097,495
Annual Savings		
Earnings or (Loss)		\$2,027,964
Project Expenditures		
Capital		\$2,717,570
Operations		\$831,600
Total		\$3,549,170
ROIC		57.14%
Payback		1.8