

Bridgeport, Connecticut
April 25, 1958

TO: P. H. BURDETT (30)

FROM: N. F. LARSEN

SUBJECT: SALES AND OPERATIVE EARNINGS - MODEL 524T

Following is a tabulation showing sales and operative earnings for the M/524T based on selling price and volumes furnished by the Sales Department:

	First Year			Normal Year		
	Each	Amount	%	Each	Amount	%
Quantity		3,500			3,000	
Retail price	\$ 49.95*			\$ 49.95		
Net selling price	28.81	\$100,835	100.0%	28.81	\$ 86,430	100.0%
Factory cost	26.93	94,255	93.5	26.93	80,790	93.5
Research	.72	2,520	2.5	.72	2,161	2.5
Total mill cost	27.65	96,775	96.0	27.65	82,951	96.0
Factory profit	1.16	4,060	4.0	1.16	3,479	4.0
Selling & admin.	2.88	10,084	10.0	2.88	8,643	10.0
Operative earnings	\$ (1.72)	\$ (6,024)	(6.0)%	\$ (1.72)	\$ (5,164)	(6.0)%

For purposes of comparison, sales and operative earnings on the M/521T and M/513T are shown below:

	M/521T			M/513T		
	Each	Amount	%	Each	Amount	%
Quantity		800			900	
Retail price	\$ 40.85*			\$ 72.30**		
Net selling price	23.56	\$ 18,848	100.0%	39.10	\$ 35,190	100.0%
Factory cost	23.75	19,000	100.8	34.35	30,915	87.9
Research	.58	471	2.5	.98	880	2.5
Total mill cost	24.34	19,471	103.3	35.33	31,795	90.4
Factory profit	(.78)	(623)	(3.3)	3.77	3,395	9.6
Selling & admin.	2.36	1,885	10.0	3.91	3,519	10.0
Operative earnings	\$ (3.14)	\$ (2,508)	(13.3)%	\$ (.14)	\$ (124)	(0.4)%

*Subject to trade discounts of 20%-17 1/2%.

** " " " " " 25%-17 1/2%.

N. F. Larsen
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