

TABLE 5

ECONOMICS FOR THE MARKETING OF A MODEL 742 AUTOLOADING AND
MODEL 760 SLIDE ACTION CENTER FIRE RIFLE IN A DELUXE GRADE
AND RETAINING THE PRESENT LINE - CASH BASIS

	TOTAL CASH REDUCTION IN REGULAR RIFLE BY REDUCED VOLUME	TOTAL CASH ADDITION THROUGH DELUXE RIFLE SALES	CASH RESULTS
VOLUME	(2500)	5000	
NET SALES	(\$191,190)	\$436,150	\$244,960
FACTORY COST	(\$ 80,710)	\$184,730	\$104,020
TOTAL COST (INCLUDES SELLING, ADMIN. AND R & D)	(\$ 80,710)	\$186,420	\$105,710
OPERATIVE EARNINGS	(\$110,480)	\$249,730	\$139,250
NET EARNINGS	(\$ 53,710)	\$121,410	\$ 67,700
INVESTMENT			
PERMANENT INVESTMENT			\$ 26,000
WORKING CAPITAL			\$105,000
TOTAL INVESTMENT			\$131,000
RETURN ON INVESTMENT			
RETURN ON CAPITAL			51.7%
RETURN ON TOTAL COSTS (INCLUDING DEVELOPMENT AND OPERATING CHARGES)			31.3%