

Table

COST COMPARISON - MODEL 700 "ADL" - PRESENT COST VERSUS COST WITH PROPOSED
CHANGES TO MAGAZINE (TO REDUCE STOCK BREAKAGE IN FIELD)

	<u>Present</u>		<u>Proposed</u>		<u>Total Additional Cost</u> <u>Per Year</u>
	<u>Unit</u>	<u>Per Year</u>	<u>Unit</u>	<u>Per Year</u>	
Volume (70%)		37,360		37,360	
Retail Price	\$129.95		\$129.95		
Net Selling	70.02		70.02		
Factory Cost	\$ 43.71	\$1,633,010	\$ 44.02	(1,644,590)	(\$ 11,580)
Factory Profit	26.31		26.00		
Oper. Earnings	16.51		16.20		
% of Net. Sell's	23.6%		23.1%		
Capital Invest.				\$ 7,400	
Engineering & Tool.				11,900	
Total Expenditures				\$19,300	
Stock -					
Factory Cost	\$ 14.00				
Arms Service					
Handling	3.00				
	\$ 17.00				
Estimated Reduction in Stock Replacements					\$ 5,523
Net Additional Cost per Year					(\$ 6,057)