

## PROPOSED MODEL 870 "ALL AMERICAN" 12 GAUGE TRAP SHOTGUN

## ESTIMATED COSTS AND ECONOMICS

## FULL FACTORY COST

	Model 870 TC (For Comparison) Monte Carlo Stock	Model 870 "All American"
VOLUME		1800
RETAIL PRICE	\$ 269.95	\$ 550.00
RETAIL SELLING	\$ 144.37	\$ 294.11
FACTORY COST	\$ 94.92	\$ 126.16
SELLING, ADMIN. & RESEARCH	\$ 15.74	\$ 32.06
TOTAL COST	\$ 110.66	\$ 158.22
OPERATIVE EARNINGS	\$ 33.71	\$ 135.89
% OF NET SELLING	23.3%	46.2%

## CASH RESULTS

VOLUME (ADDED BUSINESS)	1800
NET SELLING	\$ 529,400
FACTORY COST	\$ 203,700
OPERATIVE EARNINGS	\$ 325,700
LESS 5.6% & 48%	\$ 165,820
NET EARNINGS	\$ 159,880

## INVESTMENT

CONSTRUCTION	\$ 138,900
WORKING CAPITAL	\$ 254,100
TOTAL	\$ 393,000

RETURN ON INVESTMENT	40.7%
RETURN ON TOTAL EXPENDITURES	31.1%

## PROJECT EXPENDITURES

DEVELOPMENT	\$141,600	Operations
R & D ROBOT N/C MACHINES (METAL ENGRAVING - WOOD CHECKERING)	\$132,000	Capital
STANDARD MACHINES	\$ 6,900	Capital
PLANT OPERATIONS	\$ 42,500	Operations
TOTAL	\$323,000	

This project will pick up the applicable charges from Project TI 116 authorized for \$109,000 (\$67,000 capital) for development of N/C facilities for machine engraving. Also the applicable charges from the R & D budget account F 0700 which was budgeted for \$55,000.