

PROPOSED MODEL 870 POLICE GUN FOLDING STOCK  
FROM THE BELMORE-JOHNSON TOOL COMPANY

ESTIMATED COSTS AND ECONOMICS

	<u>FULL FACTORY COST</u>	
	<u>FIRST YEAR</u>	<u>THIRD YEAR</u>
VOLUME	5000	2000
RETAIL PRICE	\$27.50	\$27.50
NET SELLING	\$19.25	\$19.25
FACTORY COST	\$16.18	\$15.00
SELLING, ADMIN. & RESEARCH	-	-
TOTAL COST	\$16.18	\$15.00
OPERATIVE EARNINGS	\$ 3.07	\$ 4.25
% OF NET SELLING	15.9%	22.1%

	<u>CASH RESULTS</u>	
	<u>5000</u>	<u>2000</u>
VOLUME	5000	2000
NET SELLING	\$96,250	\$38,500
FACTORY COST	\$70,200	\$26,140
SELLING & ADMIN.	\$ 3,000	\$ 3,000
TOTAL COST	\$73,200	\$29,140
OPERATIVE EARNINGS	\$23,050	\$ 9,360
LESS 5.0% & 48.0%	\$11,660	\$ 4,740
NET EARNINGS	\$11,390	\$ 4,620

INVESTMENT

CONSTRUCTION THIS PROJECT	-	-
WORKING CAPITAL	\$55,170	\$21,240
TOTAL	\$55,170	\$21,240
RETURN ON INVESTMENT	20.7%	21.8%
RETURN ON TOTAL EXPENDITURES	18.2%	15.9%

PROJECT EXPENDITURES

DEVELOPMENT	-	-
CONSTRUCTION	-	-
OPERATIONS	\$ 9,400	\$ 9,400
TOTAL	\$ 9,400	\$ 9,400

JHS:I  
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