

SHOTGUNS - contd.THE 3200 SHOTGUN - contd.

The 1 of 1000 trap guns requires N/C engraving. Since this was not in the scope of the approved project, a separate project was written for this equipment. This was authorized, however, Management directed that it be considered as a part under the authorized Project AD3200-4. Since that time, it has been forecasted that capital expenditures will exceed authorization by more than 10%. A draft of Part 5 project is in Bridgeport for review.

Economics presented on this subject follow.

Exhibit 2: Project No. AD3200-4

Exhibit 3: Revised Project Expenditures for Part 5.

\$87,000 of the \$229,000 additional in construction is for N/C engraving equipment for the 1 of 1000 trap guns. Without this addition, it does not appear at this time that another part to the project would be required. The balance of \$142,000 in additional construction is increased cost of N/C checkering equipment. Not enough was known about this equipment when the project estimate was being prepared and the estimate proved to be too low.

Exhibit 4: Revised Project Economics Including 1 of 1000 Hi-Grade Trap Guns and Current Estimated Expenditures.

This exhibit shows the economics for the conditions that exist today. Returns and net earnings increase as a result of the 1 of 1000 trap guns.

A Grade wood was originally specified for the field, skeet and trap guns. Now consideration is being given to changing this to B Grade (semi-fancy) for all regular trap guns. Economics presented on this subject follow.