

ESTIMATED SAVINGS & RETURN ON INVESTMENT

TRIGGER GUARD

NYLON REINFORCED VS. ALUMINUM CASTING

M/700AOL 2 40XB 240XCF

1971 Year of Operation

	PRES. INT (ALUM.) (ASTG)	PROPOSED		
Quantity Forecast	700AOL - 45,650 40XB - 2,600 40XCF - 1,600	49,750		
OPERATING COSTS				
Purchased Parts	\$17,010	\$ 7,730	\$	\$
Re-worked Scrap	850	150		
Standard Labor	2,330	3,320		
Labor Variance @	1,240	620		
Industrial Relations @ 34%	3,250	1,470		
Supplies	1,200	340		
Tool Replacement	240	40		
Cutter Grind	160	110		
Tool Maintenance	20	30		
Maintenance	410	60		
Electricity	-	-		
Equipment Depreciation @ 10.0%	-	110		
Franchise Tax @ 3.0		660		
	\$ 36,430	\$ 15,010	\$	\$
SAVINGS IN OPERATING COST				
Loss: All other expenso:		\$ 21,420		\$
All Other 5.6 %: Federal Tax 52.3 %		\$ 11,890		\$
NET SAVINGS		\$ 9,530		\$
INVESTMENT				
Project expenditures		\$ 1,100		\$
Manufacturing and working facilities				
Net change in working capital		(11,610)		
Total capital required for this project		(\$ 10,510)		\$
RETURN ON INVESTMENT - THIS PROJECT				
NET SAVINGS - After Amortization of Operation Charges		\$ 2,150		\$
Project Operation Charges		\$ 2,700		\$
Loss: Federal Tax 52.3 %		\$ 4,590		\$
Total capital required including research and development and other operation charges		(\$ 6,400)		\$
Return on total capital required		∞ %		
Return on total additional investment after completion of this project				%

(Subdivision 5)

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