ESTIMATED SAVINGS & RETURN ON INVESTMENT

M/700 TRIGGER HOUSING ASSEMBLY

BRAZE VS RIVET

	1971 Year of Operation			
	BRAZE	RIVET		
Quantity Forecast #4-1970	78,440			
OPERATING COSTS				
Purchased Parts	$ 14,140	$ 13,980	$	$
~~Raw Material~~ Scrap	540	1,040		
Standard Labor	23,530	15,770		
Labor Variance @	2,450	2,460		
Industrial Relations @ 36.0 %	9,350	6,560		
Supplies	880	640		
Tool Replacement	2,260	1,980		
Cutter Grind	1,190	300		
Tool Maintenance	400	350		
Maintenance	710	1,030		
Electricity (Braze Furnace)	160			
Equipment Depreciation @ 10.0%	—	160		
Franchise Tax @ 4.0		450		
	$55,610	$ 44,720	$	$
SAVINGS IN OPERATING COST		$ 10,890		$
Less: All other expense: All Other 5.0 %: Federal Tax 48.0 %		$ 5,510		$
NET SAVINGS		$ 5,380		$
INVESTMENT				
Project expenditures		$ 1,600		$
Manufacturing and working facilities				
Net change in working capital		(4,910)		
Total capital required for this project		($ 3,310)		$
RETURN ON INVESTMENT - THIS PROJECT		∞ %		
NET SAVINGS - After Amortization of Operation Charges		$ 4700		$
Project Operation Charges		$ 14,250		$
Less: Federal Tax 48.0 %		$ 6,840		$
Total capital required including research and development and other operation charges		$ 4,100		$
Return on total capital required		114.6 %		
Return on total additional investment after completion of this project		%		

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(Subdivision 5)