ER: T.R. Andrews

: 12/11/80

Revised M/700 Trigger Housing Assembly

	Present	Proposed		
st Year	4-1981			
ty Forecast	35,060			
ING COSTS				
chased Parts	$ B 600	$ 14,700	$	$
Material	–	–		
ndard Labor	7,530	5,740		
bor Variance ②	4,660	3,580		
ustrial Relations ④	5,740	4,300		
plies				
ol Replacement				
ter Grind				
ol Maintenance — Direct Expense	10,400	7,090		
intenance				
rgy				
ipment Depreciation ③				
Sub Totals	$ 36,930	A $ 36,210	$	A $
Gross Savings Before Admin. Exp.		$ 720		$
Admin. Exp. @4.3% Gross Savings		B $ 30		B $
Sub Totals	$ 36,930	A+B $ 36,240	$	A+B $
GS IN OPERATING COST		$ 690		$
ss: Income Tax @48.5%		($ 330)		($
ss: Amortization of Investment Tax Credit		$ -		$
AVINGS		$ 360		$
MENT				
oject Expenditures		$ –		$
ufacturing & Working Facilities		$ –		$
t Change in Working Capital		$ 1,310		$
Total Capital Required for this Project		$ 1,310		$
N ON INVESTMENT - THIS PROJECT		27.5%		
t Savings - After Amortization of Operation Charges		$ (320)		$
oject Operation Charges		$ 18,000		$
Less: Administration Expense @4.3% & Income Taxes @48.5% (Factor .5072)		($ 9,130)		($
Total Capital Required Including Research & Development & Other Charges		$ 10,100		$
N ON TOTAL CAPITAL REQUIRED		Negative %		
quipment to be Released				
ncreased Space Requirements (Decrease)				
roduction Capacity				
[illegible]		%		

First Year of Operation (1981)

Estimated Unit Prices, Costs and Pretax Earnings

	Composite M/700 Line Before	Results of Revised Trigger Hous[ing]	Composite M/700 Line After
[Q]uantity	35,850	–	35,850
[R]etail Selling Price	$261.60	–	$261.60
[N]et Selling Price	$140.44	–	$140.44
[L]ess: Total Cost	$136.35	(.05)	$136.30
[P]retax Earnings	$ 4.09	.05	$ 4.14
[%] of Net Selling	2.9%	NA	2.9%

FR Andrews
12/11/80