

RD-6565
Rev.
SMT: 3-26-79

ESTIMATE # 4357

ESTIMATED SAVINGS & RETURN ON INVESTMENT
M/700 MAGAZINE FOLLOWER
Tool Steel C-1112

REVISION I

ENGINEER: OS VEROURA

DATE: 11-11-81

1983

1985

Forecast Year
Quantity Forecast

CURRENT
106,095

PROPOSED

CURRENT
123,535

PROPOSED

OPERATING COSTS

Purchased Parts	\$292,100	\$	\$411,400	\$
Raw Material		36,680		50,740
Standard Labor	27,590	51,410	38,160	71,100
Labor Variance @	9,650	15,450	13,360	21,320
Industrial Relations @	17,840	29,620	24,680	40,920
Supplies	1,790	3,500	2,480	4,830
Tool Replacement		2,0950		2,8980
Cutter Grind		1,860		2,580
Tool Maintenance	10	220	14	300
Maintenance		1,970		2,730
Energy		6,470		8,950
Equipment Depreciation @ 7 1/2 %		23,250		23,250

Sub Totals	\$253,980	A	\$191,980	\$490,100	A	\$250,400
Gross Savings Before Admin. Exp.			\$162,000			\$233,700
Admin. Exp. @4.3% Gross Savings		B	\$6,970		B	\$10,050
Sub Totals	\$253,980	A+B	\$198,950	\$490,100	A+B	\$266,450

SAVINGS IN OPERATING COST

Less: Income Tax @48.5 %	(\$75,190)	(\$108,470)
Plus: Amortization of Investment Tax Credit	\$3,180	\$3,180
<u>NET SAVINGS</u>	<u>\$83,020</u>	<u>\$118,360</u>

INVESTMENT

Project Expenditures	\$318,000	\$318,000
Manufacturing & Working Facilities	\$	\$
Net Change in Working Capital	\$104,725	\$147,590
<u>Total Capital Required for this Project</u>	<u>\$213,225</u>	<u>\$170,410</u>

RETURN ON INVESTMENT - THIS PROJECT

Net Savings - After Amortization of Operation Charges	\$79,570	\$114,910
Project Operation Charges	\$46,000	\$46,000
Less: Administration Expense @4.3 % & Income Taxes @48.5 % (Factor .5072)	(\$23,330)	(\$23,330)
<u>Total Capital Required Including Research & Development & Other Charges</u>	<u>\$235,900</u>	<u>\$193,100</u>

RETURN ON TOTAL CAPITAL REQUIRED

Equipment to be Released		
Increased Space Requirements (Decrease)		
Production Capacity		
Forecast Burdening		