

MINUTE #5-1962

TABLE I

NYLON STOCK, SINGLE SHOT RIM FIRE RIFLE
EFFECT ON OPERATIVE EARNINGS OF PRODUCING N-10 SINGLE SHOT VERSION
OF N-11 AND N-12, REPLACING M-510 and M-514

BASIS

OUT OF POCKET COSTS

THIRD YEAR OF OPERATION

BOLT ACTION RIM FIRE LINE: (N-11 and N-12 Shown to Illustrate Complete Bolt Action Line. Sales and Earnings Not Considered in Earnings Comparison, Since Effect The Same In Both Present and Proposed)

MODEL	ESTIMATED ANNUAL VOLUME*	OUT OF POCKET COST	RETAIL SELLING PRICE
<u>PRESENT</u>			
510	5M	\$10.50	\$25.75
N-11	15M	Data Not	36.95
N-12	20M	Required	39.95
514	23M	8.10	20.95
<u>PROPOSED</u>			
N-10	45M	\$11.12**	\$20.95
N-11	15M	Data Not	36.95
N-12	20M	Required	39.95

COMPARISON

SALES, AT NET SELLING
 LESS EXCISE TAX AND
 DISCOUNT

COST OF GOODS SOLD
 (OUT OF POCKET FACTORY
 COST)

OPERATIVE EARNINGS

LOSS IN OPERATIVE EARNINGS

PRESENTPROPOSED

\$ 400,000	\$ 527,000
279,000	500,000
\$ 121,000	\$ 27,000
	\$ 94,000

*From 5 years Sales Forecast, 1962-1966. Volume of M-510 and 514 assumed the same as 1962 if not replaced.

**Estimated goal cost to justify indicated replacement would be approximately \$8.00

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