

MODEL 700 HIGH GRADE

ESTIMATED ECONOMICS OF INITIAL TEST
MARKETING AND FULL SCALE MARKETING.
BASED ON SPECIAL DISCOUNT OF 15% & 10%

	<u>MODEL 700 HIGH GRADE</u>		<u>MODEL</u>
	<u>TEST</u>	<u>FULL SCALE</u>	<u>700</u>
	<u>MARKET</u>	<u>MARKET</u>	<u>BDL</u>
Retail Selling Price	\$ 274.95	\$ 274.95	\$ 114.95
Net Selling Price	183.15	183.15	78.10
Estimated Annual Volume	250	1000	8000
Estimated New Business	250	1000	-
<u>UNIT FULL COST DATA</u>			
Factory Cost	\$ 133.00	\$ 106.00	\$ 55.90
Selling, Adm. & Res.	25.00	25.00	10.54
Cost of Goods	\$ 158.00	\$ 131.00	\$ 66.44
Operative Earnings	\$ 25.00	\$ 52.00	\$ 11.66
% of Net Selling	14%	29%	15%
<u>CASH COST DATA</u>			
Unit Factory Cost	\$ 105.00	\$ 93.00	\$ 38.96
Unit Operative Earnings	\$ 78.00	\$ 90.00	\$ 39.14
Total Operative Earnings	\$ 19,500	\$ 90,000	\$ 313,000
Total Net Earnings	\$ 8,400	\$ 40,000	\$ 135,000
<u>INVESTMENT</u>			
Permanent	\$ -	\$ -	
Working Capital	22,300	80,000	
Total Capital Required	\$ 22,300	\$ 80,000	
<u>RETURN ON TOTAL CAPITAL REQUIRED</u>			
	38%	50%	
<u>OTHER PROJECT COST</u>			
R & D	\$ 2,500	\$ -	
Operation	-	10,000	
Cumulative Total		\$ 12,500	
* Operative Earnings As %			
of Net Selling (Full Book			
Basis) and Cash Operative			
Earnings At \$375 Retail			
		57%	
		\$ 124,000	