

TABLE 3

HIGH SPOT ESTIMATED FACTORY COST AND EARNINGS
FOR PROPOSED MODEL 600, 243 CALIBER

| | | |
|------------------------------|----|--------|
| RETAIL SELLING PRICE | \$ | 99.95 |
| NET SELLING PRICE | \$ | 53.87 |
| ESTIMATED SALES VOLUME | | 1000 |
| NET INCREASE IN SALES | | 1000 |
| <u>FULL COST DATA</u> | | |
| UNIT FACTORY COST | \$ | 41.63 |
| UNIT SELL., ADMIN., RESEARCH | \$ | 7.27 |
| | \$ | 48.90 |
| UNIT OPER. EARNINGS | \$ | 4.97 |
| % OF NET SELLING | % | 9.2% |
| <u>CASH COST DATA</u> | | |
| SALES | \$ | 53,870 |
| COST OF SALES | \$ | 30,460 |
| TOTAL OPER. EARNINGS | \$ | 23,410 |
| TOTAL NET EARNINGS | \$ | 11,380 |
| <u>INVESTMENT</u> | | |
| PERMANENT | | |
| WORKING CAPITAL | \$ | 25,900 |
| TOTAL CAPITAL REQUIRED | \$ | 25,900 |
| % RETURN ON TOTAL CAPITAL | | 43.9% |
| OTHER PROJECT COSTS | \$ | 425 |

* COMPARES WITH 9.4% FOR CALIBER 308, MODEL 600