

TABLE 2

ECONOMICS FOR THE MARKETING OF A MODEL 552 AUTOLOADING AND  
MODEL 572 SLIDE ACTION RIM FIRE RIFLE IN A "BDL" GRADE  
AND RETAINING THE PRESENT LINE - CASH BASIS

	TOTAL CASH REDUCTION IN REGULAR RIFLE BY REDUCED VOLUME	TOTAL CASH ADDITION THROUGH DELUXE RIFLE SALES	CASH RESULTS
VOLUME	(1500)	3000	
NET SALES	(\$ 47,760)	\$116,070	\$ 68,310
FACTORY COST	(\$ 24,770)	\$ 58,930	\$ 34,160
TOTAL COST (INCLUDES SELLING, ADMIN. AND R & D)	(\$ 24,770)	\$ 58,930	\$ 34,160
OPERATIVE EARNINGS	(\$ 22,990)	\$ 57,140	\$ 34,150
NET EARNINGS	(\$ 11,180)	\$ 27,780	\$ 16,600
<u>INVESTMENT</u>			
PERMANENT INVESTMENT			\$ 0
WORKING CAPITAL			\$ 31,800
TOTAL INVESTMENT			\$ 31,800
<u>RETURN ON INVESTMENT</u>			
RETURN ON CAPITAL			52.3%
RETURN ON TOTAL COSTS (INCLUDING DEVELOPMENT AND OPERATING CHARGES)			36.0%