

Table 3

ECONOMICS OF MARKETING
MODEL 6600, 22 CAL. RIM FIRE AUTOLOADING RIFLE

	<u>First Year</u>	<u>Third Year</u>
Retail Selling Price	\$ 84.95	\$ 84.95
Net Selling Price	45.79	45.79
Estimated Annual Sales Volume	25,000	20,000
Net Increase in Sales Volume	17,000	12,000
<u>Full Cost Data</u>		
Unit Factory Cost		\$ 30.66
Unit Selling, Administration & Research Cost		6.41
Unit Cost of Goods		\$ 37.07
Unit Operative Earnings		8.72
% of Net Selling		19.0%
<u>Total Cash Cost Data (Project Result)</u>		
Sales	\$ 916,380	\$ 687,430
Cost of Sales	496,880	383,510
Operative Earnings	\$ 419,500	\$ 323,920
Net Earnings	\$ 203,310	\$ 156,980
<u>Investment</u>		
Permanent Investment	\$ 212,300	\$ 212,300
Working Capital	434,000	320,000
Total Capital Required	\$ 646,300	\$ 532,300
<u>Return on Investment</u>		
Position "A"	31.5%	29.5%
Position "B"	35.5%	34.3%
% Return on Total Expenditures	20.2%	17.6%
 <u>Project Expenditures - Supporting Research</u>		
	\$ 98,000)	
Operations	263,200)	\$573,500
Capital	212,300)	