

TABLE 7

MODEL 742-760 "BDL" GRADE
COMPARISON OF ESTIMATED COSTS AND EARNINGS

	<u>Part II</u> <u>to Project</u>		<u>Estimate Regular</u> <u>RK-W Finish on</u> <u>Wood & Improved</u> <u>Metal Finishes</u>	
	<u>M/742</u>	<u>M/760</u>	<u>M/742</u>	<u>M/760</u>
Estimated Annual Volume	3000	2000	3000	2000
Net Increase in Sales Volume	1500	1000	1500	1000
Retail Selling Price	\$169.95	\$149.95	\$169.95	\$149.95
Net Selling Price	\$ 91.53	\$ 80.78	\$ 91.53	\$ 80.78
 <u>FULL COST DATA</u>				
Unit Factory Cost	\$ 51.35	\$ 45.26	\$ 60.27	\$ 54.48
Unit Selling, Administrative and Research Cost	12.81	11.31	12.81	11.31
Unit Cost of Goods	64.16	56.57	73.48	65.79
Unit Operative Earnings	27.37	24.21	18.05	14.99
% of Net Selling	29.9%	30.0%	19.7%	18.6%
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<u>CASH COST DATA</u>				
Net Sales	\$244,960		\$244,960	
Factory Cost	106,850		116,820	
Total Operative Earnings	138,110		128,140	
Total Net Earnings	66,930		62,120	
 <u>INVESTMENT</u>				
Permanent Investment	\$ 39,000		\$ 72,000	
Working Capital	112,000		107,000	
Total Capital Required	\$151,000		\$179,000	
% Return on Total Capital Required	44.3%		34.7%	
% Return on Total Capital & Development & Oper. Charges	27.5%		22.0%	
Development & Operating Charges	\$ 92,000		\$103,000	
 <u>OPERATIVE EARNINGS</u>				
Model 742 Current Rifle ...	\$24.43	30.2%	
Model 760 Current Rifle ...	\$21.20	30.3%	