

TABLE 1

**ESTIMATED FACTORY COSTS & COMPARISON
MODEL 40XB VS. GUN WITH NEW STOCK DESIGN
(BASED ON NOV. 1964 THRU OCT. 1965 WEIGHTED AVERAGE - 359 RIFLES)**

	<u>Present M/40XB</u>	<u>Original Proposed Stock</u>	<u>Revised Proposed Stock</u>
Retail Price	\$154.95	\$154.95	\$154.95
Net Selling	\$ 97.48	\$ 97.48	\$ 97.48
Std. Material	\$ 15.01	\$ 16.78	\$ 16.77
Std. Labor	\$ 12.71	\$ 13.11	\$ 12.74
Factory Cost	\$ 76.35	\$ 80.48	\$ 78.82
Sell. - Admin. - Research	<u>13.65</u>	<u>13.65</u>	<u>13.65</u>
Full Book Cost	\$ 90.00	\$ 94.13	\$ 92.47
Oper. Earnings	\$ 7.48	\$ 3.35	\$ 5.01
% of Net Selling	7.3%	3.3%	4.8%
 <u>Expenditures</u>			
Capital		\$15,300	\$ 9,800
Operations		<u>\$50,700</u>	<u>\$51,000</u>
Total		\$66,000	\$60,800