

COST AND ECONOMICS
FOR
PROPOSED REMINGTON TARGET TELESCOPE

FACTORY COSTS

	<u>FIRST YEAR</u>	<u>THIRD YEAR</u>
VOLUME	200	500
RETAIL SELLING PRICE	\$ 159.90	
NET SELLING	\$ 88.90	
FACTORY COST	\$ 62.51	
SELLING & ADMIN. RESEARCH	\$ 9.78	
TOTAL COST	\$ 72.29	
OPER. EARNINGS	\$ 16.61	
% NET SELLING	18.2%	

CASH BASIS

	<u>FIRST YEAR</u>	<u>THIRD YEAR</u>
VOLUME	200	500
NET SELLING	\$17,780	\$44,450
SELLING EXPENSE-ADDITIONAL	\$ 1,000	\$ 1,000
FACTORY COST	\$12,502	\$31,255
OPERATIVE EARNINGS	\$ 4,278	\$12,195
LESS 5.8% & 48%	\$ 2,200	\$ 6,200
NET EARNINGS	\$ 2,078	\$ 5,995
<u>INVESTMENT</u>		
CONSTRUCTION	0	0
WORKING CAPITAL	\$11,700	\$22,200
RETURN ON INVESTMENT	17.8%	27.0%
RETURN ON TOTAL EXPENDITURE	10.7%	21.3%

PROJECT COSTS

DEVELOPMENT	\$ 5,000
CAPITAL	0
OPERATIONS	\$ 3,000
TOTAL	\$ 8,000