

HI-SPOT COSTS AND ECONOMICS FOR MARKETING  
PROPOSED MODEL 40XB BENCH REST CENTER FIRE TARGET RIFLE  
 (R & D CUSTOM SHOP ITEM)

	<u>FULL BOOK COSTS</u>	
	<u>PRESENT LINE</u> <u>40XB/CF</u>	<u>PROPOSED LINE</u> <u>40XB/BCF</u>
VOLUME	(200)	500
ESTIMATED INCREASE IN VOLUME		300
RETAIL PRICE ) 1969 PRICING &	\$244.95	\$259.95
NET SELLING ) DISCOUNTING	\$144.84	\$153.55
		(20% & 15%)
FACTORY COST	\$105.00	\$110.00
SELLING, ADMIN. AND R & D	<u>\$ 15.93</u>	<u>\$ 16.89</u>
TOTAL COST	\$120.93	\$126.89
OPERATIVE EARNINGS	\$ 23.91	\$ 26.66
% OF NET SELLING	16.5%	17.4%

CASH BASIS

CASH COST DATA (RESULT BASED ON 300 ADDITIONAL SALES)

VOLUME	300
SALES	\$47,810
FACTORY COST	<u>\$32,300</u>
OPERATIVE EARNINGS	\$15,510
LESS 5.8% and 48%	<u>\$ 8,620</u>
	\$ 6,890
<u>INVESTMENT</u>	
CONSTRUCTION	0
WORKING CAPITAL	\$18,300
RETURN ON INVESTMENT	37.7%
RETURN ON TOTAL EXPENDITURES	32.7%

PROJECT COSTS

CAPITAL	0
OPERATIONS	<u>\$3800</u>
TOTAL	<u>\$3800</u>