

PROPOSED MODEL 870 "ALL AMERICAN" 12 GAUGE TRAP SHOTGUN

ESTIMATED COSTS AND ECONOMICS

	FULL FACTORY COST	
	Model 870 TC (For Comparison) Monte Carlo Stock	Model 870 "All American"
VOLUME		1800
RETAIL PRICE	\$ 269.95	\$ 550.00
RETAIL SELLING	\$ 144.37	\$ 294.11
FACTORY COST	\$ 94.92	\$ 126.16
SELLING, ADMIN. & RESEARCH	\$ 15.74	\$ 32.06
TOTAL COST	\$ 110.66	\$ 158.22
OPERATIVE EARNINGS	\$ 33.71	\$ 135.89
% OF NET SELLING	23.3%	46.2%

CASH RESULTS

VOLUME (ADDED BUSINESS)	1800
NET SELLING	\$ 529,400
FACTORY COST	\$ 203,700
OPERATIVE EARNINGS	\$ 325,700
LESS 5.6% & 48%	\$ 165,820
NET EARNINGS	\$ 159,880

INVESTMENT

CONSTRUCTION	\$ 138,900
WORKING CAPITAL	\$ 254,100
TOTAL	\$ 393,000

RETURN ON INVESTMENT	40.7%
RETURN ON TOTAL EXPENDITURES	31.1%

PROJECT EXPENDITURES

DEVELOPMENT	\$141,600	Operations
R & D ROBOT N/C MACHINES (METAL ENGRAVING - WOOD CHECKERING)	\$132,000	Capital
STANDARD MACHINES	\$ 6,900	Capital
PLANT OPERATIONS	\$ 42,500	Operations
TOTAL	\$323,000	

This project will pick up the applicable charges from Project TI 116 authorized for \$109,000 (\$67,000 capital) for development of N/C facilities for machine engraving. Also the applicable charges from the R & D budget account F 0700 which was budgeted for \$55,000.