

SHOTGUNS - contd.3200 OVER AND UNDER SHOTGUN - contd.

A further review was made of the economics including Exhibit 2, Preliminary Full Factory Costs, and Exhibit 3, Preliminary Project Costs and Economics - Cash Basis. These economics were based upon selling prices of \$425.00 and \$475.00 and no investment for buildings. Space studies are now in progress. It was not deemed reasonable to establish a cost for space for this project until the overall space program is resolved. A question was raised regarding the calculation for "Full Book" (Exhibit 2) and the "Cash Basis" (Exhibit 3).

Note: Following the meeting, the figures were rechecked and are correct. Different methods are used for each of the two calculations.

Marketing reported that the volume and price structure for this gun had been studied further. At a base price of \$450.00 and a weighted average price of \$460.00, it is believed that this gun will obtain 24% of the current market giving a volume of 18,000 guns. It was also reported that Ruger Arms Company is planning to announce an over and under shotgun in February 1971. This may have an influence on Marketing's view of volume and selling price.

Marketing questions the desirability of the Safety and the Selector being interlocked. This is to be resolved by Marketing and R & D.

R & D reported that the project to continue development until June 1971 is circulating for signature.

The economics are to be revised for the February meeting. The economics should include funds for space as indicated by the overall plant study on space requirements. Total project funds must be approved not later than May 1971 to meet the 1973 introduction date.