

EST. #1502

ESTIMATED SAVINGS & RETURN ON INVESTMENT

PROPOSED ONE PIECE POWDER METAL BLANK
M/XP-100, 600 & 700 SEAR SAFETY GUN ASSY

		1965 Year of Operation		
		PRESENT (2) PIECE CONSTR.	PROPOSED (1) PIECE STAMPING	PROPOSED (1) PIECE POWDER METAL BL PROPOSED "B"
<u>Quantity Forecast</u>	XP-100 1,200			
	M/600 15,000		PROPOSED	
	M/700 32,200	4,9200	"A"	

OPERATING COSTS

Purchased parts	\$ 2,750	\$ 1,620	\$
Raw material			400
Direct Labor	6,840	4,470	1,191
Industrial Relations @ 33%	2,260	1,490	39
Supplies			
Tool Replacement			
Cutter Grind	680	1,110	1,08
Tool Maintenance			
Maintenance			
Electricity		230	306
Equipment Depreciation @ 10%	-	710	-
Franchise Tax @ 4%		130	380

\$12,530 \$9,520 \$3,440
 \$3,010 \$9,090

SAVINGS IN OPERATING COST

Less: All other expenses
 All Other Federal Tax 48%

NET SAVINGS

\$1,460 \$442

INVESTMENT

Project expenditures \$ 7,100
 Manufacturing and working facilities (2,000)
 Net Change in working capital (5,450)

Total capital required for this project \$5,100 (\$5,450)

RETURN ON INVESTMENT - THIS PROJECT 28.6% NO CAPITAL INVESTMENT

 VENDOR TOOLING 1,400 VENDOR TOOLING 1,600
 OPER. CHGES 3,900 400
 research and development and other 11,400 (\$8,450)
 operation charges 12.8% NET DECREASE
 IN TOTAL PROFIT

Return on total additional investment after completion of this project

(Subdivision 5)

FG CARLS.
 10/15/64